THE CHINA WEEKLY

REVIEW

Devoted to the Economic, Political and Social Development of China and its Intercourse with Other Nations

Michael Borodin, "Cleverest Revolutionist"

Japanese And The Shantung Railway

Shanghai—International Danger Spot

By Thomas F. Millard

Significance of the Hsuchow Conference

By C. Y. W. Meng

On the Other Side of the Whangpoo

Are Nanking and Hankow Preparing for a Showdown?

By J. B. P.

密勒氏評論報

SATURDAY, JULY 16, 1927

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Both mildness and fullness!

Real delicacy of aroma but without loss of natural tobacco taste and character

"They satisfy and yet they're mild"—this is no mere catch-phrase; it's a taste-description of Chesterfield.

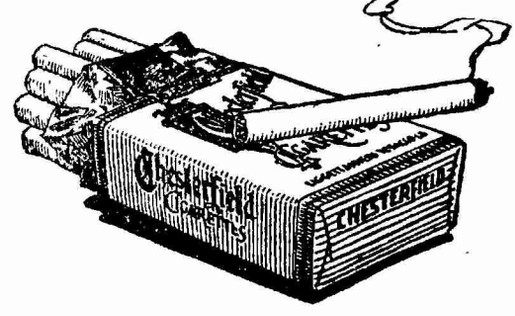
MILDNESS and fullness, the North and South poles of cigarette taste — can they be brought together in one cigarette? Seemingly no; practically yes, and with no compromise or loss of either.

It calls for the best in tobaccos; tobaccos of rare delicacy — the tender silky leaf of the costliest Turkish type; tobaccos of rich mellowness and "body"—the choicest of fine old Burley and other Domestic varieties.

But fine tobaccos alone are not enough. To achieve mildness with fullness, to preserve natural tobacco taste and character without a trace of heaviness, to produce a cigarette that satisfies and that, at the same time, is mild—here is a job that calls not only for the choicest tobaccos, but for the highest degree of skill in blending them.

And in the Chesterfield blend you have it—the exact balancing of one tobacco against another, the accurate toning and shading of each type of leaf, the rich mildness, the satisfying fullness, the rounded-out completeness which belong to Chesterfield and — because the blend can't be copied—to Chesterfield alone!

Chesterfield



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India	Australasia	Jugoslavia

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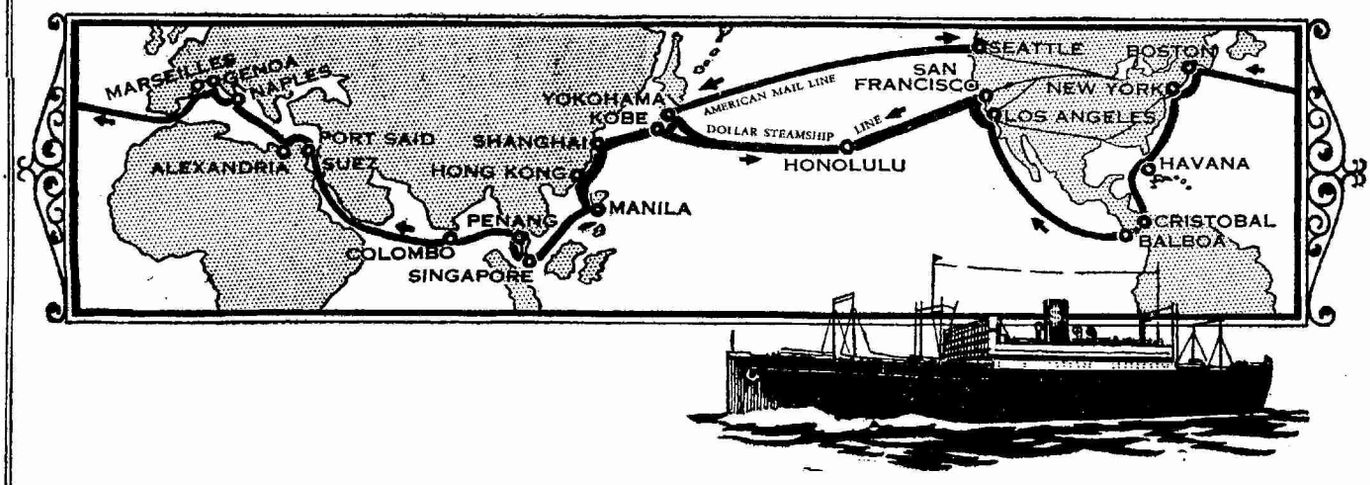

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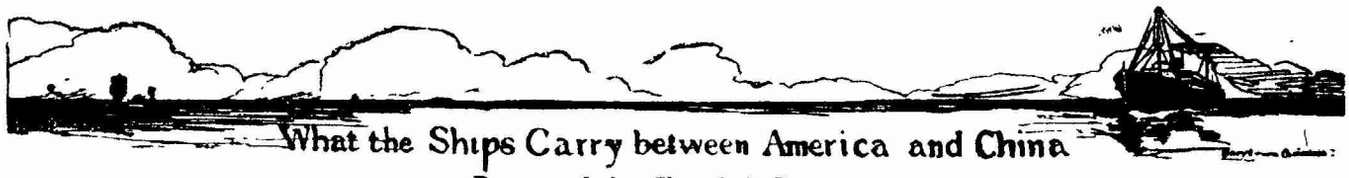

What the Ships Carry between America and China

Return of the Shanghai Customs

Pls.—1 Picul or 133 1/3 pounds; Bls.—Bales; Pcs.—Pieces; Mills—thousands; Hk. Tls.—Haikwan Tls., Aug. Customs Rate Tls. 1.49 equal Gold $1

PRESIDENT PIERCE, June 9.

To San Francisco.

Tea, Green:		
Young Hyson, other Ports	Pls.	143
Hyson, other Ports	,,	104
Gunpowder, other Ports	,,	42
Tea, Black, Congou, Hankow	,,	75
Brassware	,,	76
Egg Albumen, Frozen, Moist	,,	99
Egg Yolk, Frozen, Moist	,,	60
Egg Melange, Frozen Moist	,,	1,016
Oil, Groundnut	,,	81
,, Wood	,,	5,634
Woodware	,,	19

To Honolulu.

Silk, Piece Goods	,,	0.97
,, Pongees, Shantung	,,	0.30

To Philadelphia.

Brassware	,,	11
Bristles	,,	50
Wool, Sheep's	,,	210
Rugs	Pcs.	42

To Houston.

Stumps, Human Hair	Pls.	83

To Boston.

Sausage, Casings, Sheep	,,	41

To New York.

Brassware	,,	91
Bristles	,,	100
Hides, Cow	,,	288
Woodware	,,	16
Intestines, Hogs,' Salted	,,	49
Skins, Sheep	Pcs.	2,000
,, Dog, Tanned	,,	7,000
,, Wolf Untanned	,,	182
Carpets	,,	10
Rugs	,,	38

HAMBURG MARU, June 10.

To San Francisco.

Oil, Wood	Pls.	284
Tallow, Vegetable	,,	1,682

To Houston.

Hair, Human	,,	50

To Philadelphia.

Wool, Sheep	,,	527

To New York.

Tea, Green:		
Hyson, other Ports	,,	1
Gunpowder, Ningpo.	,,	300
Antimony, Regulus	,,	420
Bristles, Assorted	,,	100
Egg Albumen, Dried	,,	135
,, Yolk, Dried	,,	84
Feathers, Duck	,,	102
Hair, Human	,,	180
Hides, Buffalo	,,	100
Nutgalls	,,	574
Oil, Wood	,,	141
Tungsten Ore	,,	840
Wool, Sheep	,,	200

WEST SEQUANA, June 15.

from U. S. A.

Oil, Lubricating, Mineral	Galls.	1,306
Oil, Kerosene, in bluk	,,	24,200
Oil, Kerosene, in Cases	,,	852,660
Oil, Unclassed	,,	113
Turpentine, Mineral	,,	833

PRESIDENT WILSON, June 15.

from U. S. A.

Cotton Yarn, Mercerised	Pls.	8
,, Thread, Embroidery	,,	23
Aluminium Plates	,,	6
Copper Sheets, Polished	,,	22
Iron Hoops	,,	3
,, Pipe Fittings	,,	158
,, Washers	,,	55
,, Nails, Cut	,,	20
Tinned Plates, Plain	,,	3,380
,, ,, Old	,,	521
Steel Plates, Plain	,,	35
Steel, Galvanized:		
Wire Cloth	,,	28
,, Shorts	,,	332
Tinfoil	,,	2
Zinc Sheets, Polished	,,	18
Asbestos Pipe Covering	,,	103
Canned Asparagus	,,	70
,, Coffee	,,	6
,, Fruits	,,	76
Glue	,,	12
Indigo Paste, Artificial	,,	1,362
,, Dried, ,,	,,	8
Ink, Printing	,,	238
Leather, Cow, Patent	,,	5
,, Sole, Shoulders	,,	69
Oranges, Fresh	,,	1,570
Paper, Writing	,,	25
,, Unclassed	,,	83
Quaker Oats	,,	85
Raisins	,,	94
Soap, Household	,,	11
Sulphur, Black	,,	1,100
Canned Sardines	Doz.	400
Shoes, Rubber	Pairs	3,816
Machines, Sewing	Pcs.	6
Chocolate	Lb.	1,536
Treasure:		
Silver Bars	Hk.Tls.	1,001,809

KOREA MARU, June 17.

from U. S. A.

Lead, in Pigs	Pls.	2,520
Milk, Evaporated	,,	531
Oil, Lubricating, Mineral	Galls.	4,984

PRESIDENT McKINLEY, June 17.

Silk, Raw, not Re-reeled: & not Steam Filature: White, Shanghai Bls. 6	Pls.	4.80
Silk Pongees, Shantung	,,	1.65
Beancake	,,	533
Beans, Green	,,	185
Candlewick	,,	12
Cotton Towels	,,	17
Groundnuts, Shelled	,,	106
Hams	,,	180
Lily Flowers, Dried	,,	18
Nankeens	,,	52
Oil, Groundnut	,,	425
Cotton Sheetings, Grey	Pcs.	3,680
Eggs, Fresh	,,	1,017,000
Leather Trunks	,,	190
Purses, Leather	Doz.	249
Foreign Goods		
Lard	Pls.	11

ASUKA MARU, June 17.

To San Francisco.

Cotton Rags	Pls.	220

To Baltimore.

Tea, Green:		
Young Hyson, other Ports	,,	18
Straw Braid	,,	41

To New York.

Tea, Green:		
Young Hyson, other Ports	,,	67
Gunpowder, Ningpo.	,,	37
,, other Ports	,,	29
Antimony Regulus	,,	420
Bristles, Assorted	,,	130
Cotton, Waste	,,	27
Egg Albumen, Dried	,,	174
,, Yolk, Dried	,,	947
,, Whole, Dried	,,	102
Feathers, Duck	,,	60
Hides, Buffalo	,,	84
Seed, Sesamum	,,	420
Wool, Sheep	,,	4
Skins, Tibetan, Untanned	Pcs.	12,741

To Boston.

Egg Albumen, Dried	Pls.	84

PRESIDENT McKINLEY, June 18.

From U S. A.

Copper Sheets	Pls.	4
Zinc Sheets	,,	8
Asparagus	,,	517
Fruits, Canned	,,	80
,, Dried	,,	10
Grapes, Fresh	,,	9
Lard	,,	8
Leather, Sole, other kinds	,,	411
,, Calf, Coloured	,,	2
Malt	,,	79
Oranges, Fresh	,,	312
Paper, Writing	,,	63
,, Unclassed	,,	758
Barley, Pearl	,,	19
Saccharine	,,	15
Soap, Household & Laundry	,,	291
Tobacco, Prepared	,,	3
Motor-cars	Pcs.	2
Coffee	Catties	3,075
Shoes, Leather	Pairs.	84
Canned Vegetables	Doz.	104
Oil, Lubricating, Mineral	Galls.	30,936
Cigarettes	Mille	1,550
Lemons, Fresh	,,	154
Machinery	Hk. Tls.	6,727
Treasure:		
Silver Bars	,,	842,147

PRESIDENT JEFFERSON June 23.

To Manila.

Silk Piece Goods	Pls.	2.36
,, Fishing Line	,,	0.51
Silk, Pongees, Shantung	,,	1.41
Beans	,,	88
Groundnuts, Shelled	,,	240
Oil, Groundnut	,,	400
Seed-cake, Bean	,,	69
Eggs, Fresh	Mille	652
,, Preserved	,,	20
,, Salted	,,	76
Cotton Socks	Doz.	700

Weekly Cotton Market Report

By J. Spunt & Co.

China Cotton:—Although hardly any activity was perceptible in our market during the week under review, prices nevertheless were and continue steady at the close; spinners appear to have taken advantage of offerings at favourable prices but the volume of business done on this basis is on the whole negligible, for no sooner enquiries transpired for substantial quantities than such was met with a firmness in the rates which in no way coincided with spinners views. The sentiment among the larger holders of stocks is firm, and their anticipation is for higher markets in the not too distant future, being influenced for the time being by the steadiness in Mid-Americans and Indians, coupled with the current lower exchange rates which naturally further enhances the value of the imported staple and consequently diverts the attention of consumers to the local product.

Taking into consideration the present trend of the foreign staple which to a more or less extent influences our markets, the indications incline to steadiness bordering on firmness in the immediate future and the advisability of purchasing whenever any breaks present themselves during the evolution of fluctuations to which all markets are naturally subject.

Yarn:—The market during the past week has been keeping steady to firm, with a feeling of assurance that no weakness is likely to develop in this direction for some time to come. Business for export has been booked some 6000 to 7000 bales in all counts at ruling prices.

Liverpool:—

American-Middling	9.17
American-Middling last reported	9.40
Tone of Market, *Steady.*	

New York Market:—

Price of Mid-Amer.	17.10 Spot.
	17.07 July.
	17.28 Oct.
	17.33 Dec.
	17.52 Jan.
	17.65 Mar.

Tone of the market—*Steady*

Indian Market:—

Fully Good Bengal, D./J.	299
Fine Oomra, July	325
Fully Good Broach, J./A.	335

Tone of the market—*Steady*

Shanghai Market:—

	Tls.
Tungchow, spot exwharf	36.00
Shanghai, Spot	35.50
M. Ginned, Spot	36.00
Shensi, No. 1 Spot	37.00
Ningpo. Spot, Exwharf	35.00

Tone of the market—*Firm*

Shanghai-Nanking Railway Abridged Time Table.

Main Line—Shanghai-North to Nanking.

UPWARD

STATIONS		Local	Fast	3rd&4th Local	Express	3rd & 4th	Local	Fast	Local	Local	Local	Night Express
Shanghai North	dep.		7.00	7.20	8.50	9.05	12.15	12.40	14.20	16.10	18.10	21.30
Nansiang	,,		7.28	7.50	—	9.39	12.44	13.08	14.59	16.41	18.42	22.04
Anting	,,		7.49	8.19	—	10.10		13.30	15.30	17.03	19.07	—
Kunshan	,,		8.17	8.48	10.11	10.51		14.04	16.08		19.44	—
Soochow	,,		9.11	9.53	10.54	12.04		14.57	17.14		20.36	24.00
Wusih	,,	6.35	10.13	11.05	11.50	13.30		15.50	18.28		21.35	1.14
Changchow	,,	7.51	11.14	12.07	12.47	14.48		16.55	19.32			2.30
Tanyang	,,	8.58	12.16		13.40	15.58		18.00				3.35
Chinkiang	,,	10.05	13.10		14.23	17.09		19.00				4.40
Nanking	arr.	12.05	14.45		15.40	19.19		20.30				6.25

Main Line—Nanking to Shanghai-North.

DOWNWARD

STATIONS		Local	Local	Local	Fast	Express	Local	3rd&4th Local	3rd & 4th	Fast	Local	Night Express
Nanking	dep.				7.05	9.10			9.25	12.30	16.35	21.30
Chinkiang	,,				8.46	10.46			11.40	14.30	18.54	23.43
Tanyang	,,				9.28	11.25			12.45	15.28	19.50	0.32
Changchow	,,		6.45		10.36	12.39		13.05	14.08	16.44	21.11	2.10
Wusih	,,	5.30	7.55		11.45	13.32		14.20	15.45	17.47	22.15	3.21
Soochow	,,	6.26	9.09		12.45	14.26		15.45	17.10	18.51		4.35
Kunshan	,,	7.19	10.13		13.32	15.03		17.10	18.24	19.42		—
Anting	,,	7.51	10.47		14.04	—	17.15	17.45	19.09	—		—
Nansiang	,,	8.15	11.12	13.15	14.24	—	17.37	18.09	19.40	20.31		6.06
Shanghai North	arr.	8.40	11.37	13.44	14.50	16.00	18.03	18.42	20.10	20.55		6.30

From the 25th May, 1927.

Shanghai-Hangchow-Ningpo Railway Abridged Time Table.

Shanghai North to Zahkou DOWN — **Main Line** — Zahkou to Shanghai North UP

STATIONS		Fast Local	Express R	2nd 3rd & 4th	Fast R	Fast Local	Night Exp. R	Local
		*	*	*	*	*		
Shanghai N.	d.		8.05	9.15	13.30	15.35	18.30	
Jessfield	d.		8.21	9.32	13.46	15.51	18.46	
Siccawei	d.		8.27	9.40	13.53	15.58	18.53	
Lunghwa J.	d.		8.40	10.02	14.07	16.14	19.05	
Shanghai S.	d.		8.15	9.30	13 40	15.45	18.40	19.35
Lunghwa J.	a.		8.34	9.49	13.59	16.06	18.59	19.54
Sungkiang	d.		9.20	11.00	14.53	17.08	19.45	
Kashai	d.		10.09	12.07	15.48	18.10	20.38	
Kashing	d.	7.40	10.40	12.49	16.23	18.35	21.10	
Yehzah	d.	8.25	11.14	13.40	17.03	(a)	21.44	
Changan	d.	9.18	11.49	14.32	17.44		22.19	
Hangchow	d.	10.34	12.45	16.00	18.55		23.15	
Zahkou	a.	10.50	13.00	16.25	19.10		23.30	

STATIONS		Fast Local	Express R	2nd 3rd & 4th	Fast R	Fast Local	Night Exp R	Local
		*	*	*	*			
Zahkou	d.		7.15	9.05	13.35	15.25	17.45	
Hangchow	d.		7.40	9.40	14.00	15.51	18.10	
Changan	d.		8.32	11.05	15.06	17.03	19.02	
Yehzah	d.		9.03	12.03	15.43	17.46	19.33	
Kashing	d.	7.35	9.44	12.57	16.32	18.25	20.15	
Kashai	d.	8.06	10.08	13.35	16.59	(a)	20.41	
Sungkiang	d.	9.15	11.01	14.48	17.58		21.36	
Lunghwa J.	d.	10.11	11.41	15.53	18.47		22.16	8.41
Shanghai S.	a.	10.30	12.00	16.12	19.07		22.35	9.00
Lunghwa J.	d.	10.10	11.42	15.48	18.45		22.17	
Siccawei	d.	10.19	11.49	15.57	18.54		22.24	
Jessfield	d.	10.26	11.56	16.05	19.01		22.31	
Shanghai N.	a.	10.40	12.10	16.20	19.15		22.45	

Konzenchiao-Zahkou (Kiangshoo Branch Line) Zahkou-Konzenchiao

Konzenchiao	d.	7.05	9.30	11.45	13.50	17.30	21.50	Zahkou	d.	8.15	10.35		15.10	18.35	22.55
Kenshangmun	d.	7.21	9.48	12.01	14.10	17.46	22.06	Hangchow	d.	8.34	10.54	12.38	15.29	18.58	23.18
Hangchow	d.	7.38	10.00	12.12	14.23	18.03	22.18	Kenshangmun	d.	8.46	11.06	12.51	15.46	19.11	23.31
Zahkou	a.	7.55	10.20	(a)	14.40	18.20	22.35	Konzenchiao	a.	9.00	11.20	13.05	16.00	19.25	23.45

Note:—The four East Local Trains suspened running until further notice.
Trains marked with* are in connection with S.N.L. Trains at Shanghai North.
R—Restavrant.

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DERRICKS
DRILLING MACHINES
DRILLING RIGS FOR OIL WELLS
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ELECTRICAL WIRES AND CABLES, Bare and Insulated
FABRICATED STRUCTURAL MATERIAL FOR BRIDGES, TURNTABLES, STEEL BUILDINGS, ETC.
FENCING MATERIALS—Wire Fencing, Steel Posts
FORGINGS
FROGS AND SWITCHES—Steam and Electric Railways
HOOPS AND BANDS
MACHINE FORGINGS
MINE TIMBERS
NAILS—Wire
NAIL RODS
NAIL WIRE
PIG IRON
PILING—Steel Sheet
PIPE—Black and Galvanized Wrought for Steam, Gas and Water, American or English Threads, Lapwelded and Seamless Boiler Tubes, Matheson Lead Joint Pipe, Seamless Steel Tubing
PLATES—Boiler, Tank, Ship, Flange and Fire Box Steel
POLES—Steel Tubular
RAILS—Light and Heavy Rails for Railways, Tramways, Mine and Industrial Railways, Special Track Work
REINFORCEMENT FOR CONCRETE—Triangle Wire Mesh
RIVETS
ROPE—Wire for Mine Hoists, Derricks, Cranes, etc.
SCREW SPIKES
SCREW STOCK—Cold Drawn
SHAFTING
SHAPES—Standard Structural
SHEET BARS
SHEETS—"Apollo" Brand Galvanized Corrugated and Plain
SKELP
SLABS
SPIKES—Railway Track Spikes
SLEEPERS—Steel
SPRING STEEL
STEAM PIPE AND TUBES
STOVE PIPE SHEETS
SWITCHES AND SWITCH STANDS
TANK PLATES
TERNE PLATES
TIN MILL PRODUCTS
TIN PLATE—"Coke," "Charcoal" and "Terne"
TOOL STEEL
TOWERS—Steel
TRIANGLE MESH CONCRETE REINFORCEMENT
TUBES—Gas, Water, Steam and Boiler
TURNTABLES FOR LIGHT AND HEAVY RAILWAY SERVICE
UPHOLSTERY SPRINGS
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Contents

Editorial Paragraphs
The Japanese 'Grab' The Shantung Railway!..... 155
When It Was Dangerous For Foreigners In Japan!..... 156
On The Other Side Of The Whangpoo..... 157
The Shanghai Newspapers And The News!..... 157
Investigating Municipal Extravagance 158
Michael Borodin, "Cleverest Revolutionist In The World.. Today!".....By J. B. P. 159
Special Articles
Shanghai—International Danger-Spot.....By Thomas F. Millard 161
The Hsuchow Conference—Its Significance .....By C. Y. W. Meng 164
Hankow's Time of Trial .....By Randall Gould 166
Greal Britain's Next Step in China..... 168
Men and Events..... 176
Who's Who in China..... 176
From the Chinese Press 177
Are Nanking And Hankow Preparing For A Showdown?.....By J. B. P. 178
New Books of Interest in the Far East..... 181
What the Ships Carry between America and China..... v

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THE JAPANESE 'GRAB' THE SHANTUNG RAILWAY!

WHEN General Tanaka, Japanese Premier, states, as he did in the course of an address on China policy in Tokyo on July 8, that Japan will preserve strict neutrality in the Chinese civil war, his words amount to nothing more than pure bunk, because while he was uttering them Japanese troops were taking up positions at Tsinanfu, the capital of Shantung province and along the railway which connects Tsinanfu and Tsingtao. When General Tanaka states that the Japanese troops will be withdrawn as soon as China quiets down, this is also pure bunk because when the Japanese troops took up positions along the railway they took along with them a complete staff of railway operators including engineers, telegraphers, station agents, track superintendents and so on. all of which means long continued occupation. When the semi-official Japanese *Toho* News Agency stated, as it did on July 6, that "five hundred American marines were landed at Tsingtao for the protection of American residents," it stated a lie which has been officially denied by the American Consul at Tsingtao, the American Minister at Peking and the American Admiral at Tientsin.

IN General Tanaka's official statement on Japanese policy toward China on July 8 he used a number of familiar statements such as, "leave the Chinese people to settle their affairs," "Japan should be impartial to any one party or faction in any civil war or in any political strife in that country," "Japan has an ardent desire to see peaceful and economic development of China," "as to the stabilization of economic conditions in the Three Eastern Provinces, Japan considers it best to leave the provincials to do so by their own efforts," and so on, none of which carry conviction. The reason they fail to carry conviction is due to the fact that in the same address, General Tanaka used a number of other expressions which indicate his real intentions, such as "taking into consideration *Japan's special position* in the Far East, we must *draw a sharp line* between the methods to be adopted toward Manchuria and Mongolia and those toward China proper," "we are determined to endeavor..to achieve gradually and reasonably the *legitimate national aspirations* due to the awakening of the moderate elements in China..", "there is no alternative for us but to keep in touch with *moderate men of power* in various parts of China", "the Japanese Government desires that *lawless people be suppressed* and peace be maintained by the Chinese authorities concerned," in cases where Japanese rights and interests in China are being encroached upon.. it is inevitable for the Japanese Government to *take self-defensive measures* in order to protect them,"

"as regards Manchuria and Mongolia, especially the Three Eastern Provinces, as they have a *very important bearing on Japan's national defense* and existence, Japan not only *needs special communication* to these regions, but feels the responsibility to *make these regions places of safe residence* for both Chinese and foreigners by maintaining peace and developing the regions economically," "as to the protection of our *vested rights* and the settlement of problems, *we should deal with them* in accordance with the foregoing principles," "if there is fear that the Japanese special rights and interests will be encroached upon in the event of the civil war spreading to Manchuria and Mongolia, *Japan must protect them, from whatever directions the disturbance may spread* and take adequate steps in time so that *special zone* may be maintained as a place of safety for both Chinese and foreigners."

THE LAST sentence quoted in the foregoing paragraph really lets the cat out of the bag as far as Japanese policy is concerned and makes the present Japanese adventure in Shantung province as clear as daylight despite the bunk which General Tanaka has been handing out to the Japanese and Chinese public and cabling abroad for public consumption in foreign lands. Heretofore, or at least since the Washington Conference, Japan has been following her so-called 'friendship' policy toward China and has not interfered in the Chinese civil war even after extreme provocation in the Yangtsze Valley. But now that the nationalist revolution is moving northward, Japan has dropped the mask of 'friendship' and is out in the open with the mailed fist. In previous fights in North China between the Chihli and Fengtien factions, Japan has not interfered materially so long as the battling stayed out of Manchuria. But when the fighting approached the line of the Great Wall, Japan has always become interested and in several cases has actually intervened as she did in 1925 when Japanese troops broke up the Kuo Sung-lien rebellion against Chang Tso-ling. This time, however, Japan has not waited for the war to reach the borders of Manchuria and as General Tanaka stated, "has taken adequate steps in time" meaning by this, intervention in Shantung. Japan's purpose being to prevent the Nationalists from getting even as far as Chihli province and thus interfering with Chang Tso-ling, the Manchurian bandit puppet who has protected Japan's interests in that area for so many years. It has been an open secret for some time that Japan has been trying to induce the Nationalists both the Hankow and Nanking factions, to agree to keep the revolution out of Manchuria, but without success. Therefore, when the Japanese found that they could not obtain such an agreement, the announcement was shortly forthcoming that Japanese troops were to be landed at Tsingtao. Then followed naturally the decision to send troops to Tsinanfu, the capital of Shantung some 200 miles inland and the patrolling of the Tsingtao-Tsinanfu Railway, all of which are now an accomplished fact.

IT IS too early to gauge the results of Japan's apparent decision to scrap the Washington Conference and return to the old game of grab in China. A boycott of Japanese products is rapidly spreading through South and Central China, being especially strong at Canton where Japanese products are being confiscated and where Chinese are refusing to use Japanese cargo or passenger ships. The boycott spirit is also prevalent at Shanghai and although it has not reached the serious stage that prevails at Canton, few question the fact that it will soon extend throughout the Yangtsze Valley similar to the situation prevailing in 1918 1919-1920, which caused such a commotion that the United States was forced to intervene and drag Japan into the Washington Conference for an explanation of her intentions in respect to the territories of her Far Eastern neighbor. It is also too early to guage the effect of Japan's actions in Shantung upon the military situation. As these lines are written, the Northern military commanders, Chang Chung-chang and Sun Chuan-fang, are still holding northern Shantung including Tsinanfu, the capital of the province, and Tsingtao, the chief seaport. The presence of Japanese troops in these two cities is naturally of great assistance to the Northern generals and if we would believe reports which have appeared in the Chinese newspapers, the assistance which the Japanese are extending goes to the extent of munitions and supplies and even to officers loaned to the Northern leaders. A report issued from Chiang Kai-shek's headquarters in Hsuchowfu, several days ago alleged that several Japanese officers in Chinese uniforms had been captured when the Nationalists took over the town of Yenchowfu. The success or failure of the Northern campaign from the standpoint of the Nationalists rests largely with the 'Christian General' Feng Yu-hsiang and the 'model' governor of Shansi province, Gen. Yen Hsi-shan. According to a statement of Feng's strength issued by the *Kuo Min* (Nanking) News Agency, the Christian General has a force of approximately 300,000 troops which are now beginning to cross the Yellow River. If Feng has sufficient munitions and Gen. Yen Hsi-shan really intends to move on Peking from Shansi province, it probably will result in the elimination of Marshal Chang Tso-ling, despite the actions of the Japanese in trying to protect their favorite. And if this happens, it is quite likely that Marshal Chang may be unable to return to Manchuria as the Japanese would like to have come about. It is reported that Feng is telling his troops that "Mukden is the real objective" which, if true, means that Japan's "special zone" may yet be involved in the Chinese revolution.

WHEN IT WAS DANGEROUS FOR FOREIGNERS IN JAPAN!

THE *Japan Advertiser*, American paper in Tokyo, recently published an account of an address delivered by Dr. William Elliot Griffis before the Asiatic Society of Japan, wherein Dr. Griffis told of numerous incidents in the '80's when it was unsafe for foreigners in Japan. In one incident Dr. Griffis stated that he had helped nurse two Englishmen who had been badly slashed by Japanese while riding on a highway. To use Dr. Griffis' words, "The assailants had calmly tried out their swords on the bodies of the men they had ruthlessly attempted to cut down." Continuing he stated that recently while strolling along a road near Kyoto he couldn't help, "during forgetful moments, but glance anxiously to the right and to the left to see whether fierce-glaring ronin or wandering samurai were waiting for the opportunity to sharpen their swords upon the bodies of foreigners or anyone else who would obtrude upon their august presence." The direct downfall of the 'closed door' policy in Japan, according to Dr. Griffis resulted from letters written to the American Government by American officers asking that something be done to rescue crews of American whaling ships

which were being held prisoners by the Japanese. Dr. Griffis also stated that he had personally witnessed the persecution of Christians in Japan. "They were in scanty red clothes, the color worn by convicts, and although it was mid-winter, they had very little on, but were being led out to torture." In concluding his address the speaker attributed much of Japan's modern progress to the 'Oyomei' philosophy, "when you see your duty, go and do it," in contrast to the Confucian philosophy of first seeing whether your grandfather did the same thing.

IT SHOULD be encouraging to foreigners residing in China today to know that there are still foreigners residing in Japan who remember when conditions existed in that country which made it unsafe for foreign residents. Many foreigners in China, when reminded of the fact that conditions in Japan from 25 to 40 years ago were probably much worse than conditions prevailing in China today, always fall back on the argument that the "Japanese were different," but this statement explains nothing. The only difference between conditions then existing in Japan and conditions which have prevailed in China in the past decade, is in the size of the two countries. Japan being a small compact country was more easily organized on a modern basis. Furthermore the compulsion for modern organization was greater in Japan because of the fact that Japan being an island nation was exposed to attack. China being a great continental nation is comparatively safe from foreign attack, despite the statements of the arm-chair strategists who insist that China could be conquered by a few tin-gunboats. Foreigners in China who blindly fight against change in their treaty status, also forget that the foreigners residing in Japan likewise fought against change just as strenuously as the little hand-full of 'die-hards' which are making themselves ridiculous in Shanghai today. But change came in Japan despite the opposition of the foreigners and it was due to the fact that the home governments, particularly America and Great Britain refused to back them against the growing national consciousness of the Japanese. Exactly the same thing will happen, in fact, is happening before our eyes in China today. The chances are that modern development from the standpoint of governmental organization and industrial reform will come in China much quicker than it did in Japan, simply for the reason that China has a greater world experience to draw upon than Japan had at the time she made the great decision.

ON THE OTHER SIDE OF THE WHANGPOO

THE WHANGPOO River which flows along in front of the Shanghai Bund is familiar to everybody as the stream which connects Shanghai with the sea. But few persons in Shanghai are familiar with the important city of Pootung which is located directly across the narrow Whangpoo from the Shanghai Bund. Most of us think of Pootung as a dirty squalid sort of place where many foreign concerns have factories and godowns and wharves. There are a few foreigners who reside in Shanghai who go over to Pootung in the mornings and return in the evenings, but their interest in Pootung rests purely in their jobs as factory superintendents and managers. They go to Pootung because they have to and they leave Pootung just as quickly as they can after their work is finished. It is quite accurate to say that nobody gives a care about Pootung, not even the missionaries whose interests are all on this, the 'civilized' side of the river. But despite this lack of interest on the part of civilized Shanghai, the City of Pootung is important because more than 100,000 Chinese live over there, most of them being factory workers. Pootung is, in many ways, the most important part of Shanghai because the future welfare of the entire city depends largely upon Pootung and what it contains. Pootung is not an old city. It is a comparatively new city, a product of the western industrialization which has come to Shanghai. In Pootung live thousands of Chinese who have been attracted to this city from the neighboring farms and villages in order to find work in the modern factories. They have found the work all right, but at the same time they have found living conditions surrounded by a squalor incomparable to anything existing elsewhere in China, or possibly anywhere else in the world at the present time.

THERE IS one exception to the general neglect of Pootung, referred to above, but the exception is so small as to have little more influence than the proverbial grain of sand on the seashore. But we must give the Y. M. C. A. and the Shanghai Rotary Club credit for making a start in the right direction by creating, through financial assistance of a few industrialists, the nucleus of a movement for creating better living conditions for the Chinese laborers who create the wealth which enables 'civilized' Shanghai to build palatial residences and office buildings and ride around in limousines. But the start made by a few earnest foreigners and Chinese through the erection of a little 'model' village for factory workers in Pootung is so small that it is all but swallowed up in the immensity of the problem. The whole thing probably didn't cost more than $10,000 silver dollars and recently we have heard that some of the backers are withdrawing their support on account of the prevailing 'hard times.' But Shanghai can't afford to neglect Pootung and what it represents much longer, the reason being that Pootung is becoming self-conscious. Call it bolshevism or communism, or whatever you will, Pootung is being stirred by new ideas. Chinese laborers, men and women, who have been content to labor long hours for a few pieces of depreciated currency and then to return for a few hours of rest to a hovel amidst conditions of indescribable squalor, are not going to continue indefinitely in this condition. We have been told that there isn't a school of any kind, missionary or public, in all Pootung with the exception of the small one maintained in the Y. M. C. A 'Model Village' and another one of similar character maintained by the Dollar Company for the children of its Chinese employes at the Dollar Wharf. Anybody with an ounce of intelligence ought to realize that this constitutes a dangerous situation. Here on *our* side of the Whangpoo is a row of fine palatial office buildings and banks with every modern convenience and comfort known to man, and over there on the *other* side of the Whangpoo, just a stone's throw away are conditions of indescribable poverty and squalor. Places on *this* side of the Whangpoo, in reality rest upon the conditions existing on the *other* side of the River. Surely an insecure foundation!

THE SHANGHAI NEWSPAPERS AND THE NEWS!

BETWEEN four and five hundred British officers, captains, engineers, and assistants employed by the British shipping firm, China Navigation Company of which Butterfield and Swire are local agents, have been on strike for several days. The

number of ships tied up range from 80 to 100 and since these ships have enjoyed a practical monopoly of China coast and river transportation for both passengers and cargoes, the strike has had a paralyzing effect upon China's domestic and foreign trade. The dispute between the officers and the Company goes back over several years and is a serious matter. The men claim that during the World War when the Company made handsome profits, the employes received little benefit, but that when the slump came following the war and profits disappeared, the men were forced to accept a 10 percent reduction in wages. The men threatened to strike at that time, but through the mediation of the British Consul-General here, the men were induced to accept the cut in wages, the argument being the well-known one of patriotism. At that time however, the Company agreed to submit to arbitration all future questions pertaining to wages or similar matters. Now, according to the men, the Company is refusing to live up to its agreement, hence the present strike. Recently, owing to another dispute pertaining to the anchorage of some of the ships which are tied up in the harbor, the company discharged several of the men, who up to that time were remaining on the ships, but were refusing to operate them pending the settlement of the wage dispute.

ONE WOULD think that this matter of tieing up approximately one hundred ships engaged in the China coast and river traffic would constitue a matter of news, but apparently it in not so if one is to judge from the space devoted to the subject by the local British press. Aside from the publication of the original statement of the striking officers at the beginning of the trouble, about a month ago, the local British press has completely ignored the strike, a dispute which, had it occurred in America or England would have received many columns of space. Of the three morning British newspapers, the *North-China Daily News* and *China Press* have ignored the strike almost completely, while the *Shanghai Times* has published a few items, but all of them inocuous. A few days ago the Chinese Seamen's Union sent a letter to the striking British officers, offering them support, but only the Chinese newspapers published this. On Friday, July 8 the striking officers circulated through the local mail the following notice which the *North China Daily News*, the 'official' British newspaper had refused to publish:

Shipping Dispute and Arbitration.

The following communication was sent to the Editor of the *North-China Daily News* on 5th July, 1927, for insertion in the corespondence columns with a view to enlisting public support towards the value of arbitration as a medium for adjusting the present dispute existing between the China Navigation Company and its Officers. For some unaccountable reason the Editor of the *North-China Daily News* declined to publish this Conservative stricture on parties who repudiate Arbitration as a conciliatory medium.

In the Cardiff *"Weekly Mail"* of 4th June, 1927, which journal is a Conservative organ, the following quotation appears as editorial comment in referring to an impending school teachers' strike:—

"The position is governed by an arbitration award, "disobedience to which is both immoral and dangerous. "At a time when the country is being educated up to the "principle of arbitration as a means of preventing "strikes it is lamentable to find a public authority setting "that principle at defiance."

The foregoing is doubly interesting to the public of Shanghai in view of the present dispute in the Shipping industry on the identic principle of submission to arbitration.

THE *North China-Daily News*, hasn't however, been able to keep all of the news of the strike out of its columns, for in the advertising section we find the following notice which speaks volumes for the effectiveness of the strike.

C. N. C. CHINA NAVIGATION CO., LTD. FAST SCHEDULE SERVICE

YANGTSZE RIVER AND CHINA COAST PORTS

FOR NORTHERN PORTS
Sailings temporarily Suspended.

SOUTHERN PORTS
Sailings temporarily Suspended.

FOR RIVER PORTS
Sailings temporarily Suspended.

FOR NINGPO
Sailings temporarily Suspended.

Private Exchange to all Departments
Telephone Central 4881.

BUTTERFIELD & SWIRE,
Agents, French Bund.

As a result of the lack of publicity in the daily press, the foreign and Chinese public is almost entirely in the dark as to the causes back of the strike, despite the fact that the public which is dependent upon the ships, has a vital interest in it. An impartial handling of the news regarding the strike would provoke public discussion and this in turn would assist in a just settlement of the dispute between the Company and the men. But the Shanghai newspapers lack the 'guts' for this and the strike drifts along, leading in the direction of a disaster for British maritime supremacy on the China coast. The reason for the refusal of the newspapers to publish the news is due, obviously, to intimidation of the press by the commercial and financial interests affiliated directly and indirectly with Messrs. Butterfield and Swire, and the China Navigation Company. This naturally is a dangerous situation for any society and particularly so for the British position in Shanghai and China generally due to the fact that the public is forced to form its opinions on public questions from what they read in the newspapers. The moribund condition of the British press in China is an excellent exemplification of the decadence of British leadership in the Far East. It is no wonder that the statue of Sir Harry Parks on the Shanghai Bund hangs its head in shame and sorrow.

INVESTIGATING MUNICIPAL EXTRAVAGANCE

IT may be that in the end the foreign community of Shanghai, particularly the business element, will have reason to thank the Chinese populace for going on a "tax" strike. The announcement is made that a committee of business men in the Settlement has been organized to investigate the matter of reducing Municipal expenditure. This has been an undoubted result of the refusal of the Chinese to pay the extra two percent levied at the last Ratepayers meeting. In balancing the exchequer of a Municipality the same principles apply as in the running of a business. When the balance falls on the wrong side, either the income must be increased or the expenses reduced. For the last thirty years in Shanghai it has always been the

former alternative that was adopted. But the time has come to call a halt, and, whatever may be the eventual result as regards taxation this year, it is possible that sufficient economies can be effected to bring the rate down next year to the former rate of fourteen per cent on assessed rentals. Many a Governor of a state in the United States would look with envy on the salary paid to the Secretary of the Shanghai Municipal Council, or the Commissioner General; and the heads of the other departments are in proportion, some even being higher. One of the principal qualifications for being the head of the Secretariat, of the Police and even of the Public Works Department has been that he should be a good propagandist to maintain and extend foreign jurisdiction not only in the Settlement, but beyond. So long as there was no pronounced organized opposition on the part of the Chinese, the bureaucrats of the Settlement could blithely go ahead with their plans to extend the Settlement, to pierce the surrounding country with Municipal roads, and to thwart any attempt on the part of the Chinese authorities to tax their own nationals inside the Settlement limits. For this purpose the princely salaries may have been worth the money. All honor to those who have served in these positions in the past and got away with it. Shanghai would never be the Shanghai that it is except there was an active leaven to leaven the inert Chinese lump. But in the meantime the leaven has got into the Chinese themselves, and the day for "keeping the Chinese down," for encroaching on Chinese soil, and generally for assuming a high and mighty attitude is past.

THE treaties by which Shanghai was founded, and the treaties providing for extraterritoriality itself, specifically mentioned that the foreign settlements were established for the benefit of foreign merchants. That object so far as Shanghai is concerned has been largely lost sight of. Here in later years the principal aim of maintaining Shanghai seems to have been to provide a host of Englishmen and Scotchmen with nice fat jobs, whereas merchants have had to scrape and slave in order to pay expenses. The cost of running this Municipality is way out of proportion to the benefits which the general public, foreign business men included, receive. At least half the foreign employees of the Settlement could be dispensed with without detriment to the service. The committee should especially investigate the P.W.D. and Police Department, particularly the wholesale employment of "White" Russians, who constitute a sort of "standing army". The present method of maintaining the streets is a disgrace. Each department and public utility concern blithely goes along "on its own" tearing up the streets and blocking the traffic. The licences for motor trucks in Shanghai are really terrific. One would have thought that the Municipal authorities would do everything to encourage modern methods of locomotion so as to drive the wheelbarrow and the handcart from the streets. But, no, instead motor freight vehicles have to pay an exorbitant tax. The theory seems to be that the trucks tear up the roads. Well, if they do it is time the roads were built better. And it is time that a whole lot of things in Shanghai's municipal affairs were done better than they are at present, and much more cheaply too.

IN glancing over the personnel of the committee appointed by the Council to investigate the question of economies it is noticable that aside from Mr. Fessenden, chairman of the Council, there are no Americans on the committee. Likewise there is no representative of the other large groups of foreigners in Shanghai such as the Germans, Scandinavians or Latins. Also there are no Chinese. In view of the fact that the chief abuses of the Council from the standpoint of exorbitant salaries, pensions and so on, particularly affect the British, it would seem that the committee might have been strengthened by the addition of some of the other nationalities which help pay the bills, but who do not have representation. The Britishers on the committee may be sincerely desirous of effecting economies, but it would be expecting rather too much of them to imagine them penalizing members of their own community. They might be called "bolsheviks" by those enjoying the high salaries and even accused of being in league with the forces of disorder!

Michael Borodin, "Cleverest Revolutionist In The World Today!"

BY J. B. P.

SENATOR Hiram Bingham of Connecticut who has traveled more extensively in China than any other American in recent times, in a recent appraisement of the work of Michael Borodin, adviser to the Hankow Government, expressed the opinion that Borodin is the "cleverest revolutionist in the world today." Which is not a small compliment because Senator Bingham has travelled widely and has met politicians over the world of both high and low degree. Furthermore, it must be remembered that Senator Bingham is an 'administration' senator and according to common repute is 'close to President Coolidge.' But while appreciating Mr. Borodin's ability as a revolutionist, it was easy to observe that Senator Bingham did not altogether approve of what this Americanized Russian adviser to the Wu-Han Government was doing. Coming from Connecticut it is obvious that Senator Bingham would prefer an *evolution* rather than a *revolution* in China, but this did not prevent the Administration Senator from recognizing facts in the China situation and likewise did not prevent him from expressing himself on the subject both in China and to the foreign newspaper correspondents for cabling abroad.

In connection with Senator Bingham and Mr. Borodin, there is an interesting story which we cannot resist repeating here, although it involves the violation of a confidence: When Senator Bingham was in Peking, he interviewed Marshal Chang Tso-ling, the Mukden warlord and ally of the Japanese. After Senator Bingham had been introduced to Chang by one of the officials of the American legation, Marshal Chang enthusiastically informed his prominent American visitor how peace and order were being maintained in North China. "I executed twenty communists," yesterday said Marshal Chang, referring to the strangulation of the Chinese alleged communists arrested in the Soviet embassy raid. Then closely watching the face of Senator Bingham, Chang exclaimed, "And I'm going to shoot another one tomorrow morning,—Mrs. Borodin."

Marshal Chang closely watched Senator Bingham's face as the statement was being translated, evidently expecting a nod of approval, but was astonished to see Senator Bingham frown and shake his head in disapproval. Then Senator Bingham spoke and he spoke emphatically, telling the Manchurian dictator in effect that if he shot Mrs. Borodin without trial that the Western world would put him down as a beast and barbarian; that the Western world didn't treat its women in that way; and that in the United States, even in cases where women were adjudged guilty of capital crimes after fair trial, that there were very few instances on record where women had been executed.

Well, that did produce a stir and the Chinese interpreter, a young man attached to Chang Tso-ling's yamen, was flabbergasted and afraid to translate Senator Bingham's words to Marshal Chang. Finally, however, another interpreter in the room did the translating and the attention shifted to Chang Tso-ling, who for perhaps the first time in his life had met a foreigner who had sufficient courage to tell him the truth to his face. The situation was tense, to say the least, and for a moment it looked as though the old Manchurian bandit would blow up and order the decapitation of his Senatorial visitor. But after a time Chang recovered his composure and looking Senator Bingham in the eye said.

"Well if the Westerners are so foolish about their women as that, I will not execute Mrs. Borodin."

Then Marshal Chang and Senator Bingham, according to the report, had a little chat about the position and status of women in the West wherein Chang Tso-ling again expressed interest, if not to say astonishment regarding the Western conception of protecting women and referred particularly to his surprise regarding the animosities which had been engendered in the West over the Nanking incident wherein a number of American and British women had been treated rather roughly and disgracefully by Chinese soldiers. Thus, Marshal Chang Tso-ling, probably for the first time in his life and after more or less intimate contact with Western diplomats, actually learned some wisdom from a Westerner. But this gets us off our story of Borodin and his antecedent.

Several weeks ago when the Shanghai Municipal Council tried its hand at the international game and, incidentally, got its fingers burned, when it picketed the Soviet Consulate-General, a number of American newspaper correspondents called on the local Soviet Consul-General, Mr. Linde for a discussion of the situation. In the course of the conversation the writer asked Mr. Linde about the status of Mr. Borodin. Mr. Linde looked up and smilingly declared:

"You Americans ought to be as interested in Mr. Borodin as we are for Borodin has all of the qualifications of American citizenship which you men possess," meaning by this that Borodin is an American citizen. This was news and as such was cabled to the United States, which resulted in an investigation being made and the disclosure of the fact that Mr. Borodin did reside for a considerable number of years in the United States and may have become an American citizen, although this point is not clear. The fact *was* established, however, that Borodin, or "Grusenberg" which is his real name, is probably more of an American than he is a Russian. Mrs. Borodin, whose maiden name was Fannie Orluk, is an American citizen, was born in Chicago and came to the Far East on an American passport. Their two children were born in America, speak the English language and do not speak Russian at all. Borodin himself speaks perfect English and had he remained in America might have become a college professor, an editor, a lawyer, or anything else which America offers to its immigrant citizens who take advantage of their opportunities.

It is not known when Borodin first went to the United States, but it was when he was quite young as an illiterate Jewish boy immigrant from Russia. He lived in New York for a time and then went to Boston where he was connected with a branch of the Carnegie Institute. Here he mastered the English language, following which he went to Valparaiso University in Indiana where he met Fannie Orluk also a student, who later became his wife. The rest of the story of the Borodins is told by a woman writer Miss Carroll Binder in the *Chicago Daily News* as follows:

"Eight years ago a teacher in a modest language school on Chicago's west side and today the central figure in an international diplomatic incident with her life and liberty at stake.

"Such is the story of Fanny Borodin, who is a prisoner in the hands of Chang Tso-lin, Manchurian war lord, now in power in Peking, and whose trial is expected momentarily. Mrs. Borodin's husband, Michael, who shared with her the management of the language school, is fighting vigorously to bring about the triumph of the Communist wing of the Chinese Nationalist movement, whose destinies he has directed for three years.

"The fate of the Borodins is followed eagerly by several score Chicagoans, to whom they have been friend and teacher. Some of their former pupils are successful business and professional people here. while others are active in the Communist movement throughout the world.

"The Russian and radical groups here remember the Borodins as charming, intelligent, resourceful and devoted persons, the kind who would make a success and attain leadership in whatever vocation and society they found themselves.

"Michael would have been one of the most successful lawyers in Chicago if he had chosen to follow that vocation," said one of his friends. "He wanted to see the proletariat come into power, so he devoted his great organizing ability to that cause."

"During his residence in Chicago Borodin, whose real name is Grusenberg, was known as M. Berg. He came to the United States from Russia at an early age and spoke English fluently, as does his wife, Fanny Orluk, whom he met while they were both students at Valparaiso university. Noting the need of immigrants who were well educated, but unable to speak English and unfamiliar with American institutions, the Bergs conducted a school for foreigners, known as Berg's Preparatory School, at Division street and Hoyne avenue. There many hundreds of newcomers were assisted in making the transition from the old to the new world language and custom.

"Berg studied for the bar at Kent School of Law, but his major interest was in the revolutionary activity directed against the czarist regime. He was friend and confident of refugees in Switzerland, who later returned to Russia and became known to the world as Lenin and Trotsky. Mrs. Berg shared his enthusiasm and when the Russians overthrew the czarist regime, the Berg school undertook to fit radicals for places of authority and service in revolutionary Russia.

"Teaching proved irksome to the adventurous Berg, so he left his wife in charge of the school and set out for Mexico, where he endeavored to further the Communist cause. Mexico proved inhospitable

and Berg returned to Chicago for a brief stay before going to Glasgow, where he renewed his revolutionary activity, but the British Isles were equally disappointing, so Berg went on to the Scandinavian countries and then to Russia.

"It was not until he reached China that Berg, become Borodin, found his real sphere. He won the friendship of the late Sun Yat-sen and other Chinese leaders and soon became one of the directing figures in the Cantonese movement. Mrs. Borodin who left Chicago about 1922, also attained great power among the Chinese. The Communist ideas espoused by the Borodins are opposed by one section of the Nationalist movement and part of the strife now going on is between right and left wings of the Nationalist party with the Borodins on the left, naturally.

"Michael is fighting hard at Hankow while his wife is awaiting trial at Peking. Chang Tso-lin's original proposal was to give her a court martial. The Borodins have two children, Fred, who is 17 and already an active Communist, and Norman, who is 12. Borodin himself is 43 and his wife 40. The Berg school has been transformed into a business college and is now conducted at 2753 West North avenue."

From the standpoint of an appraisal of Mr. Borodin and his work in China, the writer of these paragraphs has never met him personally, hence is not in a position to make first-hand statements. It is a curious fact, however, that all foreign visitors to Hankow, whether senators or newspapermen always come back with glowing personal accounts of Borodin and his deep knowledge and understanding of the Chinese situation, particularly the underlying revolutionary fundamentals. Few of the foreigners approve of what Borodin is doing or of his methods, but they do appreciate his ability and his sincerity. Borodin believes and he tells the Chinese that the only way to have a revolution is to have one, otherwise to turn the country upside down, to dig down deep into the masses of the Chinese peasants and stir them up, and so on.

"Borodin is sitting on top of the world," was the way Senator Bingham expressed it and this statement is echoed over and over again by the string of foreign newspaper correspondents who are constantly running up to Hankow to 'investigate the situation.' Some of them declare that "Borodin is all there is to the Wu-Han Government, and if Borodin leaves, the Wu-Han Government will either fade away or scamper down to Nanking for protection." As to this, only the future can tell, but there is no disputing the fact that this man Borodin, a Russian Jewish emigrant to the United States, has placed his stamp on the Chinese revolution and the stamp, whether for good or evil, will remain for many months and years after he has passed from the scene. Recently Dr. Krarup Nielsen, correspondent for the *Politiken*, an important newspaper in Copenhagen, Denmark, was in Hankow and interviewed Mr. Borodin, in the course of which Dr. Nielsen showed Mr. Borodin a copy of the telegram which the Christian General Feng Yu-hsiang, sent to Hankow ordering the dismissal of Borodin. Borodin read the telegram and then said,

"If my Chinese friends think they can consummate the revolution without me, let them do so and I will withdraw," and then explained his personal belief that the militarists would shortly wipe out the results of the past four years of revolutionary work and that China shortly would return to her old time chaos of perpetual internal warfare.

Shanghai—International Danger-Spot

By Thomas F. Millard *in The Nation, N. Y.*

WHETHER Shanghai will continue indefinitely to be an international danger-spot is a question not likely ever to be solved by local authority here or by the Diplomatic Body at Peking. A solution depends now on action outside of China; on decisions of the major Pacific Ocean Powers, or, if diplomatic sensibilities are observed, of the American, Japanese, British, French, and Italian governments. The situation provides an exceptional opportunity for remedial and constructive action of the Powers.

At the annual taxpayers' meeting of the Shanghai International Settlement held in April, 1926, a resolution to admit three Chinese members to the Municipal Council was adopted without dissent. One year later, at the next annual taxpayers' meeting in April, 1927, that resolution was mentioned only by implication and another conciliatory resolution of lesser consequence, to admit Chinese to public parks and open places of the municipality, was rejected. Speaking on an amendment to that resolution (to adopt it but postpone its enforcement) one taxpayer said: "I look upon this amendment as a resolution of surrender and fear. At the present time we should face the Chinese with no compromise."

In 1926 the attitude of our local government toward foreign and Chinese relationships in this port was outwardly one of compromise. In 1927 it openly was one of no compromise. No compromise is deadlock. If the impasse is to be removed the home governments will have to do it.

It is pertinent to repeat what I wrote in 1926 immediately after the taxpayers' meeting of that year:

It is a departure, and a significant one, when the traditions of foreign position here are breached by inviting Chinese into the council. The action logically concedes two things: that the Chinese have a right to take part in government of foreign concessions in China and that they are competent to do so.

One knows that this proposal of the foreign taxpayers is not generous but was made because of fear of serious consequences otherwise. The average foreign taxpayer in Shanghai no more believes now than he did ten years ago that Chinese have a right to participate in government of this settlement or that they are competent to do so. That resolution was proposed and adopted as a gesture having two principal objects. One object is to placate the Chinese temporarily and avert a repetition of strikes, boycotts, and other modern forms of anti-foreignism. Another object is to create an impression in home countries that the municipal authorities here are doing all in their power to conciliate the Chinese, so if trouble comes the Powers will back them up.

Adoption of the resolution was "cut and dried." It was known beforehand that it would be passed. It was known also that Chinese would not accept the proffered representation. This was common knowledge for some time previous to the meeting. The day before the meeting and that morning the Chinese General Chambers of Commerce, representing Chinese opinion, published full-page advertisements in foreign and vernacular newspapers stating that anything less than full racial equality in the settlement and representation on the council proportionate to taxes paid by Chinese and foreigners would not be accepted by Chinese.

In pronouncements relating to this issue the humbug was not altogether on the part of the foreigners. The foreigners were offering less than they will give if forced into a corner. The Chinese are demanding more than they will take at a real showdown. Leading Chinese have told me that they will be satisfied, for the while, with equal representation. On the basis of the chambers' published manifesto the Chinese would have probably a five to one majority on the council.

In this connection it is interesting to reconsider briefly how the settlement has been governed in the past and how it is governed now. After administration was taken over from the British, American, and French consuls by a Municipal Council acting under "Land Regulations" (tantamount to a municipal charter) framed by ministers at Peking, it fell naturally under the domination of the "taipan" system. A taipan is head manager of a foreign "hong," or business firm. Separated by long distances from the home offices, taipans in China of the great mercantile houses, banks, and shipping

companies wielded extraordinary influence and authority. They exercised a degree of control over their subordinates and employees that is unusual in Western countries.

The International Settlement at Shanghai is today as much controlled by the taipan oligarchy as it was forty years ago. That statement probably will be contradicted, but it is true essentially. An analysis of candidates presented at the last election of the council shows plainly that, with one possible exception, all of them were nominees of the taipans. Within the oligarchy in later years are a number of powerful local institutions having extensive real property and other investments and by consequence affected by municipal policy and developments like road extensions and transit facilities.

Therefore in Shanghai we know that when a resolution recommending that three Chinese will be admitted to the council was proposed and adopted at the annual ratepayers' meeting it was because the oligarchy willed that action.

Chinese know that also. They know further (which may be overlooked in home countries) that such a resolution of the taxpayers cannot become operative until the Diplomatic Body at Peking, acting under authority of the home governments and in consultation with the Foreign office, will revise the Land Regulations to meet the occasion. That resolution in fact does not give the Chinese representation on the council; it merely discloses the opinion of taxpayers here. So if dilatory tactics among diplomats at Peking or in the foreign offices hold up revision of the Land Regulations for a year or two or indefinitely, that resolution will mean very little. It might be an empty gesture. Chinese so regard it, I believe.

The resolution passed in 1926 was duly forwarded to Peking, where it was pigeonholed. Nothing came of it, which probably is what was intended and expected by the government of this settlement. When so many Powers have a technical treaty interest in a matter like this it is hard to discover and trace diplomatic obstructive tactics. Revision of the Shanghai Land Regulations slumbers now in the Legation Quarter. The last revision was in 1881 and the Diplomatic Body at Peking did not approve it until 1898. I perceive a connection between that pocketing of reform of the Shanghai Land Regulations with measures taken by Chinese Nationalists since then to recover foreign residential areas elsewhere in China. Chinese think it is futile to go on trying to accomplish those reforms by customary diplomatic procedure.

In the International Settlement there is, on the Chinese side, an absolute-rendition party which demands that foreign authority here be abolished unconditionally. (That party, however, is not so vociferous since the fiasco of Chinese administration at Hankow.) Then there is a party which advocates Chinese membership on the Municipal Council in proportion to taxes paid by foreigners and Chinese. There is a party which asks for equal representation. And there is a conservative class which would be content if Chinese got three seats on the council to the foreigners' six. There is no Chinese element satisfied to have things remain as they are.

On the side of the foreigners there is a standpat element which bitterly opposes giving Chinese any part in government of the settlement. A minority of foreigners favors giving Chinese equal representation under limitations and safeguards. Very few foreigners are in favor of absolute rendition, although many believe that must be the outcome.

An effort was made a few years ago to compromise with the Chinese on this issue by creating what was called an advisory council. That advisory council was composed of Chinese selected by a Chinese taxpayers' association. Although Chinese accepted that plan then to the extent of appointing members, the advisory council's connection with administration of the settlement was perfunctory, and in a short time intelligent Chinese realized that they were in a position which seemed to give them representation in government of the settlement without giving them any power. Immediately after the shooting incident of May 30, 1925, the Chinese advisory council resigned in a body and it no longer exists except on paper.

A proposal advocated by some Chinese is that Chinese and foreigners vote for all candidates for the Municipal Council. That would be equivalent to giving Chinese control, for Chinese taxpayers far outnumber the foreigners, and by concentrating their votes they could elect an exclusively Chinese council, or if the Land Regulations required the election of some foreigners they might elect a certain type of foreigner by Chinese votes. Objectors to that plan point out the possibility that with an overwhelming majority of Chinese voters and a right of Chinese to vote for foreign candidates, the administration of this settlement quickly would descend to the lowest level of "graft" politics in Western cities.

International sentimentalism has no place in my observations and conclusions about Shanghai. Nor do I favor giving Chinese place and power in government of these foreign concessions from any undue confidence in their administrative capacity. The existing administration of these concessions has anomalies, incongruities, abuses, and some notorious corruptions; but the worst foreign administration here is at the present time likely to be better than the best Chinese administration.

Reform of administration here, like the entire question of treaty revision with China, is a matter of political expediency. It is a choice between disagreeable alternatives. My prejudice is for the foreigners. But my political judgment is that in the long run the position of foreigners in China and the relations of foreign nations with this country will be improved by timely concessions to the new Chinese Nationalism. One sees that in many instances the results of Chinese administration of modern public institutions and facilities are disappointing and that foreigners suffer along with Chinese (but in lesser degree) from those failures. I do not conclude from some immediate results of Chinese municipal administration at Hankow and elsewhere that the broad course of events will change. Those results are due to conditions attending one phase of the revolution and are not characteristically Chinese. Chinese stable classes deplore them as much as foreigners do. If taken rightly the Communist episodes in municipal government can be made to react favorably in obtaining a satisfactory compromise at Shanghai.

Presence of foreign troops and naval forces here is chiefly responsible for the change of local foreign attitude toward municipal reform. When thrown on its own defensive resources the oligarchy was willing to talk compromise. Defended now by foreign forces at the expense of home governments and taxpayers, compromise must not be spoken of. And yet, since the troops are here and by all indications expect to remain indefinitely, their presence makes conditions easier for reform. With them on hand, foreigners here and the home governments do not appear to be acting under compulsion or fear in agreeing to readjustments. And after the reforms are operative the presence of troops will assure tranquillity and that radical Chinese elements will not attempt subversive measures. When the new regime gets organized and is running smoothly the troops can be gradually withdrawn.

The treaties that created these concessions assumed Chinese participation in their government. In 1864 the Diplomatic Body at Peking declared a policy regarding them in five articles, and Article V stated: "There shall be a Chinese element in the municipal system to whom reference shall be made, and assent obtained to any measure affecting Chinese residents." Demands of Chinese now for participation in government of the settlements revert to that provision.

Dr. Manley O. Hudson, professor of international law at Harvard University and associated with the League of Nations, visited Shanghai lately and spent more than a month studying conditions here. On departing he said:

Much stress is now laid on the international character of the settlement. But my study of the situation has led me to think that its control is more international in name than in fact. The Consular Body has not enough authority to be called the real governing power. And it seems to me inevitable that the present degree of irresponsibility in the local government should not be permitted to continue indefinitely. It is neither responsible to the residents of Shanghai nor to the governments of the Powers.

Dr. Hudson's observations are just and they confirm my own during many years' contact with conditions here. Actual government of this settlement is vested in the taipan oligarchy, which is predominantly British. It decides the by-laws (municipal ordinances) and police regulations under which we live here, usually without reference to any superior authority, and appeal from its decisions and acts is so difficult that it seldom is attempted and then never gets beyond Peking. I know of no case that has been appealed to home governments or courts in order to obtain a decision as to legality of by-laws and regulations enforced here.

Chinese taxpayers and responsible local organizations now have a committee waiting for a propitious time to discuss questions of municipal reform with the Municipal Council of the settlement or with the Consular Body. Apparently no one wants to talk with them. It is certain that the oligarchy and other beneficiaries of the system will fight reform with all their influence and power. But unless the home governments continue to provide troops to uphold the *status quo* reform is inevitable.

There are several plans to readjust administration of the foreign concessions at Shanghai. Some are visionary, others are advanced to camouflage diplomatic motives, some are practical enough. What is needed at once is for the Powers to take firm charge of matters here and appoint commissioners to work out, with the Chinese, an equitable solution.

American and British Cartoons on China Situation

HORRORS OF IMPERIALISM

[Punch (Copyright).]

Permanent Red; "After all, what is our position in China, I ask you?"
Neutral Tint: "I dunno, mate, but thank you for asking me."

"AW, COME OFF YOUR PERCH, JONATHAN!"

[Glasgow Bulletin.]

The tone of Mr. Coolidge's remarks on American policy in China and American sympathy with that country, it is argued, seems to assume that other nations are not so disinterested and much less sympathetic.

MOTHER CHINA'S DILEMMA

[Glasgow Record.]

"She has so many generals she didn't know what to do."

WE ARE NEVER GOING TO FOLLOW ANOTHER CHINESE WAR

[Columbus Dispatch]

The Hsuchow Conference—Its Significance

C. Y. W. MENG

INASMUCH as they are fighting for the same cause, with Peking as their destination, it has long been held as a matter of necessity for the leaders of the Nationalist party, such as General Chiang and General Feng—men of the hour in north China—to hold a conference whereby measures either defensive or offensive, or something even more important may be thoroughly discussed in person, instead of by telegraph or through delegates, The Hsuchow Conference, being the first of this kind, is doubtless considered as a key to the present situation, and thus much importance has been attached to it.

The Hsuchow Conference is significant considered both from its military and political aspects. In the first place, it is now made clear that General Feng Yu-Hsiang is not a communist. On account of his territorial proximity to Russia, and his trip to Moscow, and his constant receiving of supplies from the Soviets he has long been presumed to have a close affiliation with Russia, or to put in simple terms, he is presumed to be a communist. His joining with Nanking apparently shows that he is a non-communist, although it is not convincing. He has, however surprised everybody when, at the conference, he sent out a telegram to Hankow in which he proposed two remedies to the Hankow communists: First, Borodin must leave China at once, and second, members of the executive committee of the Nationalist government who wish to go abroad for a rest should be allowed to do so, and the others may join the Nanking Government.

Though the remedies, to our eyes, are rather too conciliatory, they at any rate show that General Feng has no affiliation with the Wuhan government, and, further, that he is loyal to Nanking. That he did have some connections with Russia before was because of the awkward situation he was facing is evident, but he was by no means communized.

Secondly, the present conference convinces us that General Feng and General Chiang are really cooperating with each other, having as their aim to fight for China and the Chinese, and the Three People's Principles. It is to be noted that nowadays the allegiance of the Chinese militarists is always doubtful. Though we have to treat these two differently, yet our past bad impressions are so deeply rooted that we were not convinced until they have actually shook hands and pledged themselves to help each other. In an interview, General Feng said, he had come to Hsuchow to offer his cooperation to General Chiang personally, though he had been cooperating for some time.

Feng and Chiang Join Hands

Such joining between Feng and Chiang has in important consequence. It necessarily involves a change of attitude or policy for General Yen Shih-san of Shansi who, though he has been watching to see with which side he should cast his lot, is going to play a great part in the game, or in bringing about victory in the north. That he has not so far made clear his policy, though steps have already been taken for the adoption of the Three People's Principles, is because he is doubtful as to the real attitude of General Feng, he is also watching the military developments in Shantung. But as soon as Chiang and Feng are in close union he will lose no time in mobilizing his troops for action. In fact, his attack upon Peking through Kalgan will bring a speedy and easy victory for the nationalists. In today's Chinese newspapers it is said that for several days important conferences have been held between General Feng and the representatives of General Yen, in which it is said that Feng and Yen are eager to clear Wuhan and to solve the "Peking question" within the shortest time. It is now, instead of a compromise, a Triple Entente with Fengtien as the only enemy.

In other words, from the military point of view, the Hsuchow conference may have decided to attack Peking from three directions, namely, from the Tientsin-Pukow line, General Chiang being in command; the from Kin-Han line, General Feng being in command; and from Kalgan, General Yen being in command. The last is the easiest and speediest route. The fall of Peking is now only a matter of weeks.

The Hsuchow conference is not important because of military success. It is important because of its influence on China's foreign relations. From the Chinese point of view, the despatch of troops to Tsinan by Japan, which will be a great obstacle to the military movement of the Nationalists, necessarily involves a change of the Chinese policy towards Japan. Certainly the Hsuchow Conference had long discussions on it. The Nationalists having a mirror before them and will not fall into the trap of Japan as did General Kuo Sung-ling in his attack against Chang Tso-ling. The Hsuchow Conference may have decided one change of route for the attack, not along the Tientsin-Pukow line but probably from Kalgan, a more direct route to Peking.

From the foreign side, we can do no better than to quote a passage from the Osaka *Mainichi*: "While the Chinese were fighting in the Yangtsze Valley, London did most of the worrying. Now that the Southerners have crossed the Yellow River, it has become Tokyo's turn to be anxious. If the battle ground is shifted north far enough, Moscow may yet be forced to forget all about her anti-imperalism". In other words, the present military and political development in China also necessarily involves a change of attitude and policy of the foreign governments. To America,—a more friendly nation to China—they may devote themselves in view of the past that, such an important conference has taken place, to discuss the question of "recognition" of the Nationalist Government. As to Britain and Japan, what line they are going to pursue, it is difficult to foretell. It may mean the revival of the Anglo-Japanese Alliance, or it may mean something else. In view the fact that the British interests along the Yangtsze have been upset and at the same time Japanese interests in northern China are going to be affected, and, further in view of some indications of "drawing-together" between these two countries there is every presumption that Japan and Britain have gone back to their former policy of "joining hands" in their dealing with China, though this is done in defiance of the Washington agreement.

Japan and Britain Draw Together

But, in view of the public opinions prevailing in these two countries, it is not likely that such alliance, no matter how necessary it may be, will be materalized. But, be it one or the other, it is significant that the Hsuchow Conference will necessarily involve a change of attitude and policy of foreign governments—either resulting in a recognition of the Nanking Government as both *de jure* and *de facto* government, or resulting in an alliance which is only a source of future conflict, not only between China and Britain, but with China and Japan, but also with and between other powers in the Far East.

New Mayor of Shanghai Outlines Policy

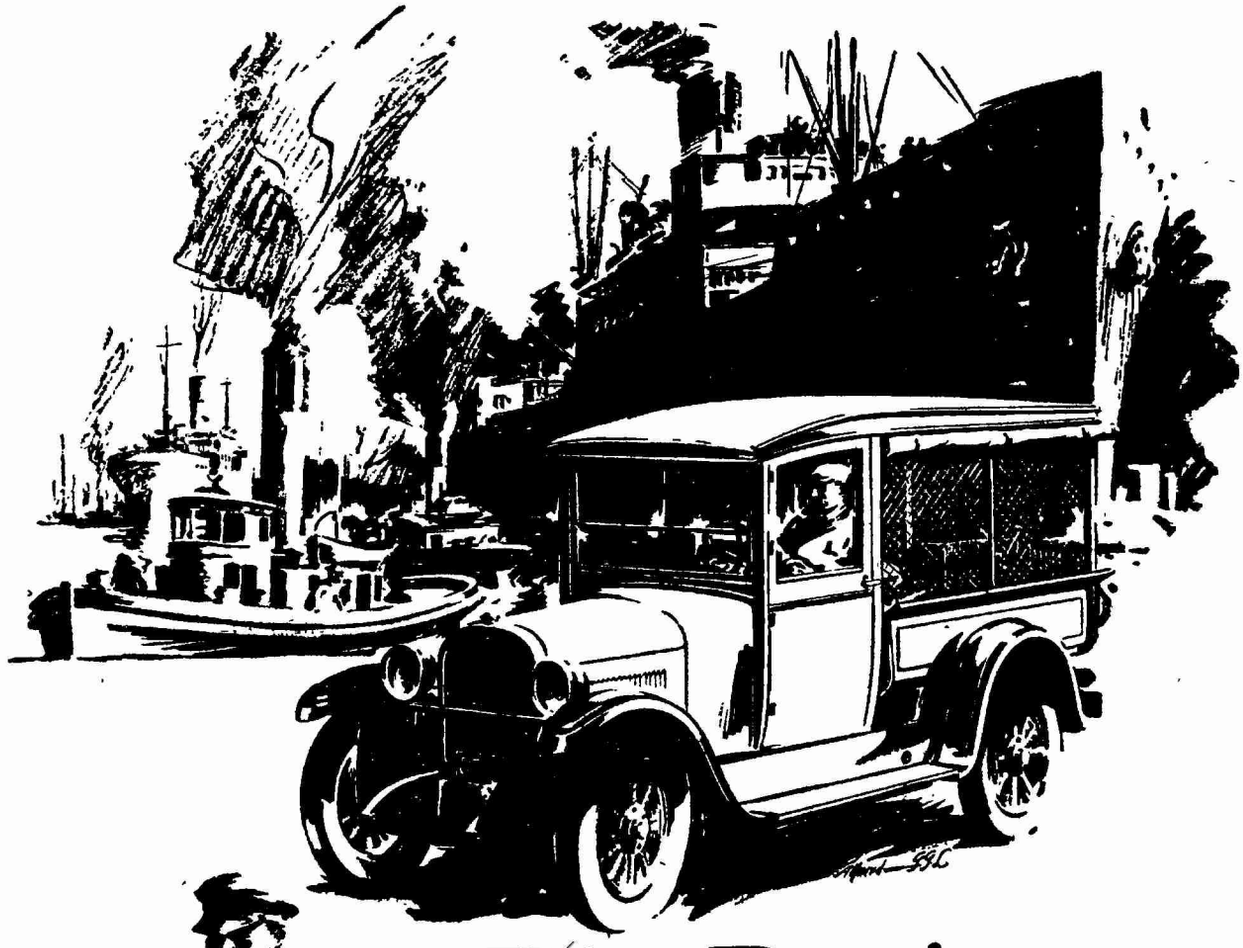
General Hwang Fu, the new mayor of the Chinese Municipality of Shanghai (which snrrounds the Foreign Concession and French Concession) was installed in office July 6 in the compound of the former Taoyin's yamen, which has been converted into headquarters for the municipality. General Chiang Kai-shek himself came down from Nanking to attend the ceremony, at which the Kuomingtang was represented by Koo Yin-feng, Minister of Finance.

In the course of his inaugural address, the new Mayor after referring to the fact that Shanghai because of its location had become a great international emporium, stated that the plan for a greater Shanghai had for a long time been the talk of students of municipal government and the hope of the Shanghai people, but obstacles had been placed in the way by successive militarists.

"According to the Regulations," General Hwang continued, "the Municipal government will consist of ten burearus, each having a special field. Together with the directors of these ten bureaus I shall endeavor, as far as local financial resources will permit, to bring about measures of improvement and re-organization, in consideration of the present and past conditions in Shanghai. The policies and plans of the municipal government will be fully published."

General Hwang then dwelt on four special points. In the first place he said he was not going to fool himself by promising immediate good results. Very frequently it was the case that owing to political reasons or financial limitations many plans capable and worthy of being carried out could not be executed immediately. He said he quite agreed with what Dr. Sun Yat-sen had written, "The ultimate object of revolution is construction," but at the same time these constructive plans were often gigantic and therefore hard to carry out.

Taking up the next point. General Hwang said that although he had but little experience in Municipal government he expected to give everything his personal attention. The people, he said, had good reason to be dissatisfied with the practices of the militarists, who under the pretext of carrying on administrative work, had raised money to fatten their pockets. "For tens of years," continued the General, "which I have spent in political life, I have always felt confident of my personal integrity. This is a fact well appreciated by all my present colleagues who will surely do their best in helping set up a clean government. I can even undertake to say that the money which is to be raised in Shanghai for the purpose of the Municipal government will only be used for that purpose and shall not be diverted to any unauthorized use."



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Taking up the matter of the selection of assistants. General Hwang said efficiency would be the first test. He cited a recent statement by Marshal Feng who reported that when he went to Moscow he found that a commander of a division in the Communist army was a former aid-de-camp in the Czarist regime. General Hwang continued, "It is quite clear that men should be used for their ability and not for their past. Besides, I believe many of the present municipal staff are old members of the Party, loyal and active, unquestionable with reference to their personal character and qualification."

Finally General Hwang promised that the Nationalist Government would devote itself to the maintenance of peace and order, to accomplish which the Political Council had adopted twenty Articles.

Dr. C. C. Wu Entertains Journalists

The following is a summary of a speech made by Dr Chao-chu Wu, Minister of Foreign Affairs of the Nationalist Government at the Shanghai Bankers Club, July 8, on the occasion of a luncheon given by him to representatives of the American, British and Japanese press.

"I would like to emphasize," said Dr. Wu, "that the policy of our Government is to be friendly with every nation. The famous English diplomat, Lord Palmerston, once said, that in diplomatic relations between countries there was no eternal ally or perpetual enemy, but our Government desired to be on terms of amity with all nations at all times.

"Friendship, however, as I understand it, means two things. First, mutual respect. We accord respect to our foreign friends; and likewise we expect them to accord to us respect. Secondly, friendship does not necessarily involve loss of independence of policy. If we are in friendly relations with a country, that does not mean that we are married to the foreign policy or other policies of that country. In other words, there should never be one country dictating the policy of another country, either in its internal or external aspects. There is a great deal of misunderstanding in this direction."

Touching on topics of the day, Dr. Wu assured his guests that he did not intend to present any protest for "it would not be in harmony with the spirit of concord and peace which reigned over the table." "But I should like to mention a question which is agitating the minds of all of us. I mean the despatch of Japanese troops to Shantung. During the past few years, the friendship between the Japanese and Chinese has greatly improved. I hope that an early solution to this problem will be found so that we can continue uninterrupted along the line of improved relations."

Abolishing Likin

Turning to the internal administration of the Nationalist Government, Dr. Wu announced a change in taxation soon to be put into effect: the abolition of likin and declaration of tariff autonomy. "The system of likin," said the Nationalist Minister of Foreign Affairs, "has been a subject of annoyance to both Chinese and foreigners for over 60 years. A quarter of a century ago, it was felt that this vexatious method of taxation should be abolished.

"The Peking Government has often reiterated this pious wish to abolish likin but it has remained for the Nationalist Government to take the definite step." A national tariff cannot be put in force at the same time with the abolition of likin as it takes time to work out. Our plan is to put a national tariff into effect eighteen months from now, but the abolition of likin will come into effect on September 1.

In the interim the loss of revenue is to be compensated for by raising the customs duty to 12½ per cent. on ordinary goods. For goods which are classified as luxuries, a graduated cale will be adopted.

"This abolition of likin so much desired by both foreigners and Chinese will, therefore, be carried out at once. It is a part of the constructive program which our Government intends to put into practice from time to time."

Difficult Problems

It had come to his notice, said Dr. Wu, that the Nationalist Government in many of its efforts had been the target of hostile criticism. "The Nationalist Government might have erred; and might still be erring, but it is human to err."

"We are a young and newly established government," he declared, "and like all governments struggling to carry on, are liable to make mistakes. It must be pointed out that the problems which it is facing are overwhelmingly difficult. These problems would tax the ability and resources of even old-estabilised governments. Bearing these facts in mind, one can readily appreciate the enormity of our task."

"Whatever our critics may say," Dr. Wu said in conclusion, "the good intention of the Nationalist Government is, nevertheless, unmistakable. I should, therefore, again emphasize by way of concluding this informal talk that the foreign policy of our Government is to be on terms of peace with all, and that our domestic policy is to bring about as soon as possible a regime of true democracy and to promote the welfare of the masses of the Chinese people."

Hankow's Time of Trial

BY RANDALL GOULD

(United Press Staff Correspondent.)

SIX hundred miles up the mighty Yangtze river lies Hankow, "the Chicago of China". Green summer foliage lend the Bund a deceptive air of peace, but the underlying spirit at present is better expressed by some forty foreign warships lying at anchor in the stream.

Hankow has been unmercifully battered and it is sore. The city has seen war, riot, evacuation, trade losses, financial turmoil. The past is a nightmare, the present uncertain, and the future bleak, in the view of Mr. Average Foreigner.

Trade has fallen off by half. Foreign consular officials predict further decrease. The money situation is chaotic. Foreign banks have been closed and are still doing only limited business, while Chinese banknotes are unpopular and a silver embargo keeps stabilisation at more then arms-length. The feeling of foreign businessmen against the Nationalist Government here is rabid. Chinese businessmen are declared to feel similarly but they are necessarily less outspoken.

So much for the dark side of the picture, which is the only side the ordinary casual foreign visitor sees.

For the bright side one must go to Nationalist Government officials and their supporters. Eugene Chen, Foreign Minister, points out that "nobody ever saw a revolution accompanied by business as usual" while in general the Government view seems to be that conditions are undoubtedly bad but that they will henceforth rapidly improve providing the military situation progresses favorably. Attention now turns toward Peking in hopes of an early capture and the beginning of a process of general consolidation.

"We have made mistakes, it must be frankly admitted," said one high Government official in discussing the situation. "The point is that we have altered our tactics to fit changing conditions, we have not been afraid to try things and abandon them if they didn't work, and we have kept our basis essentially sound.

"When the Nationalists came into the Wuhan area we found a large group of discontented and oppressed laborers. Feeling the pressure removed, they get out of hand. We have been patient but firm; things are improving and will continue to improve. We feel that all the evacuation and alarm of the foreigners has not been justified and that we are in fact victims of activity designed to discredit us. Nevertheless we are moving forward, becoming more firmly established, and will win out."

No one can fail to be impressed by the tremendous tension in Hankow today, even though the time of open trouble seems to have passed. Waves of alarm run through the foreign colony at a second's notice, or no notice at all. Now it is the French who are affected and are throwing up barricades in their concession, again it is the Japanese. Americans cannot be so much affected because only about seventy remain out of a former 450.

Voicing opinions is today for the foreigner one of the most dangerous occupations in Hankow. Social ostracism descends like a flash upon the unfortunate who says something unpopular, or who "consorts with the enemy." Certain persons must not be associated with, because of real or fancied connection with the Nationalist Government. Every move of every resident is a matter for serious consideration by all the other residents.

It is an appalling situation, yet one for which any visitor must have the most profound sympathy. These people have gone through days, weeks, months of strain. They have been isolated far from home and friends during times more trying than can well be imagined. Some of their perils may have been imaginary, but they were none the less real psychologically. It has been an ordeal of fire for Chinese and foreigners alike in Hankow and if stabilised conditions eventually restore prosperity as the Government hopes, these troubles of the past may finally prove of value in some way. Certainly old viewpoints will not serve to meet the new conditione of the future.

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41-223

It's a Mad Shipping World

BY GEO. W. MISSEMER

A RECENT announcement by the New York Freight Bureau and the trans-Pacific Freight Bureau of North China calls attention to the mad shipping world we are living in. The announcement in question relates to the freight on peanuts from Tsingtao, that port in Shantung being the principal shipping point for this article, not only in China, but so far as export trade is concerned, in the world, the yearly export being about twelve million gold dollars' worth.

Exports from China have always proved a tempting market for tramp and outside steamers, and for some time past the "shipping trust", which maintains its hold on the trade by granting deferred rebates to those customers who confine their business to their steamers, has had to make an exception from its regular rates as regards peanut shipments from Tsingtao, in order to meet the competition from steamers which do not belong to the "trust", or, as it is more generally termed, the Conference.

Tsingtao Is Favored

The rates on peanuts which the Conference has now announced as applying to peanut shipments from Tsingtao (also Chefoo) to the United States, apply not only to ships which make direct shipments from that port, but now also include shipments made by way of Shanghai. To take for example, peanuts in the shells. These are shipped in bags and the freight is calculated by weight. The new rate is G$17.50 per ton of 2,240 lbs. for shipment from Tsingtao to America, and G$30 for shipment from Shanghai to America. Thus the shipper in north China, if he cannot at the moment get a through boat to ship his cargo, may arrange to get a through bill of lading to the United States by having his cargo first taken to Shanghai and here put on a boat going across the Pacific or through the Suez.

Just get the picture. If the peanut cargo originates in Tsingtao, and even though it is shipped abroad by way of Shanghai, it will pay only a little more than half of the freight that will be charged if the cargo originated in Shanghai.

Freight rates the world over are curiously affected by competition. In this instance it was the pressure brought by "outside" steamer lines that has forced the hands of the Conference.

Coastwise Shipping Laws

It may not be generally known that through the operation of the coastwise shipping laws—and the same principle applies in democratic America or imperialistic Japan—whereby the competition of foreign steamship lines is shut out, the domestic public has to pay much higher shipping rates than are in force in international commerce. Thus one find that the rates of freight say from Kobe to the island of Hokkaido are higher on many classes of articles than are charged for making shipments from the Far East all the way to Europe.

Similarly in shipments out of New York. The anomaly is greater in the case of some articles than in others, but for the purposes of this illustration we will take heavy machinery, which weighs about as much as it measures, that is, two thousand pounds of weight will occupy about forty cubic feet. If one wishes to ship machinery from New York to the Pacific coast of America one pays by weight. Even taking into consideration the cheaper water transportation from the east coast of America to the West, the freight rates from New York to San Francisco (for example,) are much higher than they are from New York to Shanghai.

Indeed, on certain articles the disproportion in the freight rates figured on the domestic scale as compared with the export scale is so great that it is almost as cheap to ship from New York to Shanghai and then from Shanghai to Seattle, for example, as it would be to ship by steamer from New York direct to Seattle.

And, now the lesson for China. In due course because of shipping strikes in British circles, and the cancellation of the advantages of extraterritoriality, as a result of which foreign steamers will be excluded from the coast shipping trade of China, the merchants of China will have the same privilege as the merchants of the United States and Japan have, namely, to pay very much higher freight rates than they would if foreign competition were allowed, and, undoubtedly, so far as China is concerned, considerably higher rates than they are paying at present.

Great Britain's Next Step in China

(From the Spectator)

THE moment has arrived when we should try to clarify our views as to future British policy in the Far East. An adequate British force is now in China to safeguard British lives and British property, and it must, of course, remain there until conditions are more normal, but what then? What are the chief objects of British policy?

Great Britain seeks first to protect the lives and property of her nationals in China, and had a Labor Government been in power, instead of Mr. Baldwin's, it would have done what the present Government has done, although it might not have sent so large a Defence Force. But Great Britain is playing for higher stakes than the mere safeguarding of her immediate interests; she is seeking to recapture the confidence of the Chinese, to re-establish her right to be regarded as the friend of upward-striving humanity. What Great Britain does during the next twelve months or so will largely affect her whole position in Asia.

British policy in China has a threefold aim. It seeks to re-establish confidence by the removal of all sources of irritation and distrust; to rehabilitate British trade under conditions which will give some promise of stability; and, finally, to secure for Great Britain a permanent position of influence in the Far East, so that she can help to preserve world peace and to solve international disputes without recourse to war. The China question cannot be isolated, and our influence in other parts of the world will be affected by the success or failure of our methods there.

However great our provocations in the Far East, we must never lose sight of our primary objective—the re-establishment of belief in our good intentions. The name of America inspires greater confidence than does that of Britain in China to-day. Attempts to work up an anti-American boycott have hitherto never been successful, because the moderate-minded Chinaman believes in the good faith of the American Government. In the recent discussions about Nanking, instructed opinion in China believed that Great Britain desired to take further action, and that she was only dissuaded from such a course by the refusal of America to have anything to do with such a project. It is to be regretted that such views should gain credence, for they largely undo the good of the Chamberlain Note of December. As a matter of fact, the British policy which culminated in this Note has been an enlightened one, and no country has done more than Great Britain in the past twelve months, not even America, to remould Western opinion along new lines in dealing with the Chinese situation.

If our good intentions are genuine sooner of later they will carry conviction, but in the meantime there will be long months of misunderstanding to live through, during which we must lose no opportunity of proving our good-will towards China and our freedom from selfish aims. The present distrust of British motives by a large section of educated Chinese is due to several causes. It is a heritage of the past when all Western Powers, and especially Great Britain because of its great trading interests, were credited with the intention of cutting up China into "spheres of influence." British support of the Japanese claims at Versailles; the delay in returning Wei-hai-wei; the delay in implementing the Washington Treaty—a delay for which this country was not responsible; the influence of the Nationalist movement with its demand for instant Treaty revision; the popular belief that Great Britain is the villain of the piece, the supposed leader in "imperialistic exploitation," and has no intention of surrendering her previous Treaty rights, on terms that would be acceptable, despite the Chamberlain Memorandum; the influence of Russian and other propaganda; and finally the habitually censorious attitude of certain British newspapers in the Far East; these are among the causes which have contributed to Chinese distrust of Great Britain.

There are three policies before Great Britain in the Far East—the big stick, the maintenance of the *status quo*, negotiation. Many arguments can be advanced in support of the policy of armed intervention. There is natural resentment at the outrages suffered by British residents, and at the insults to the British flag. There are many who fear that a policy of conciliation will be interpreted as weakness, and who hold that security against fresh insults can only be obtained by the infliction of a sharp lesson. But the obstacles to this policy are many. The British electorate is in no mood for sabre-rattling, and apart from reasons of economy it has no desire to sink deeper into the Chinese morass. To be effective the big stick must be very big, and no party in Great Britain could hope to obtain a mandate for extended operations in China and the occupation of further Chinese territory. We can, therefore, rule out aggressive action, except under extreme provoca-

tion. It is easier to visualize the beginning of armed intervention than the end. The permanent occupation of Chinese territory would defeat every object for which Great Britain is striving in the Far East, and would be directly contrary to the spirit of the December Memorandum and the Hankow agreement.

The second possibility is the maintenance of the *status quo*, and there is much to say in its favor. The disordered state of the country and the constant insults to foreigners make further concessions difficult. Till insults are atoned for and due protection is afforded no further negotiations should take place, say the protagonists "wait and see." But at best this is a negative policy, and one which will not re-establish British prestige, and it presupposes that the British taxpayer will be prepared to keep a large armed force in the Far East indefinitely. If we hesitate to proceed further in the matter of Treaty revision Chinese opinion will continue to be mobilized against this country and boycotts and strikes will probably recur. So long as we delay to put into operation the policy outlined in the Chamberlain Memorandum we give color to the propaganda which says that the British Note was insincere and that the leopard has not changed his spots.

The third policy, and the one which the *Spectator* advocates, is that of continued negotiation with the *de facto* Government or Governments of China, along the lines foreshadowed in the Memorandum, with the object of completely revising our Treaty relationship with her and of surrendering all non-reciprocal rights that we at present possess. Such a policy can only be carried out by slow degrees, and in so far as the Government or Governments of China are able to do their part to meet us. During a period of years there would have to be co-operation between British and Chinese nationals in such matters as the control of the Concessions and Settlements, and of the Customs Service and in the jurisdiction over foreigners.

There would be need for much patience, but in the long run we should undoubtedly convince the educated section of the Chinese people that we were absolutely sincere in our determination *to treat China in exactly the same way as we treat other foreign Powers*, and to give up those privileges we no longer enjoy in other countries. Obvious arguments will suggest themselves against such a course. An enlightened and unselfish policy is apt to be regarded as weakness; every concession, it is urged, will be made the occasion of fresh demands and of fresh insults. We shall be told that our policy will destroy Western prestige in China. We must not forget the difficult position of our fellow-subjects, engaged in commerce in the Treaty Ports, who would naturally be apprehensive at the abandonment of what they have hitherto regarded as essential safeguards to trade. They will have to balance the risks and decide whether it is better to possess the present "safeguards" of Concessions and Extraterritoriality, a constant source of irritation to national sentiment and an opportunity for misrepresentation by agitators, or to make a fresh bid for Chinese goodwill by giving up these privileges. Some residents in the Far East with many years' experience of dealings with the Chinese maintain that British merchants can get on quite well in the open ports, and think that they would be "infinitely better off if there were not a Concession on the length and breadth of the China coast." The Chinaman with a sense of grievance is difficult to deal with, as old hands know, but once you remove that grievance he is a most reasonable being, with a strong sense of justice and a respect for fair dealing.

We come to the main difficulty, and it would be foolish to under-estimate it, in the absence of any strong central authority with whom to negotiate and the constant change of Governments. But, whatever Chinese Government emerges, we may be sure it will insist on Treaty revision; this is the one subject upon which both North and South are agreed. Another danger which must be faced is the serious risk of the failure of China's credit, if and when the Customs pass out of the control of foreigners. We must not forget, however, that there are stable elements in China just as anxious to safeguard Chinese credit as we are. We admit that a policy of friendship and cooperation is in the nature of a gamble, but it is a risk worth taking.

The present state of chaos and disunion makes action difficult, but a policy of drift is dangerous. There is an analogy between the situation in China to-day and the situation in Ireland prior to the settlement in 1921. What could have looked more hopeless than the position before the Anglo-Irish Peace Treaty was signed? Yet the forces of reason won, and who would undo the Irish settlement to-day? In that case the British Government courageously made terms with the effective leaders of Irish national opinion, as soon as these leaders were obviously ready and competent to negotiate. Similarly, in our dealings with China we should put ourselves in the position of the educated Chinaman, try to see things through his eyes and be quick to seize the first opportunity for offering the most generous terms of settlement to any Chinese Government that possesses the requisite authority. The opportunity may come sooner than we suppose.

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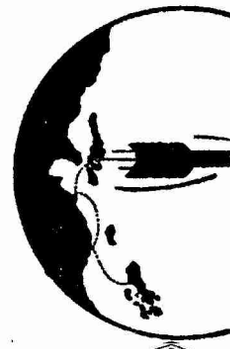

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America Now Leads in China Trade

Although reports issued by the U. S. Department of Commerce at Washington indicate that American business men generally, in common with merchants of other nationalities in China, view the future with much apprehension, yet the fact stands out clearly that during the first four months of the year 1927 the aggregate of American trade with China (including Hongkong and Dairen) surpassed in value that of any other nation. In other words, during this period, America occupied the first place in China's trade, displacing both England and Japan. Further it is to be noted that of these three countries America was the only one whose trade did not show a decline.

America's increase, it is true, was only three per cent over the same period of last year, this being an average, as imports increased seven per cent and exports declined 2½per cent.

America is undoubtedly China's best customer for articles of Chinese origin; in other words America buys a great deal more from China than it sells, whereas in the case of both Britain and Japan they sell considerably more to China than they buy. As a supplier of goods of their own manufacture to China, Japan ranks first, the United States second and British third.

Gloomy Prospects

Trade prospects throughout China generally are gloomy, despite the fact that crop conditions generally are good, expecially in Manchuria, which is one of the greatest bean producing regions in the world. The lower Yangtsze valley is enjoying the best cocoon crop it has had in years. These advantages, however, are more than offset by the uncertainties of the political situation and particularly by the excessive taxes which are being imposed, often without any scientific application of correct taxing principles.

During the years of the world war, China remained on a specie basis as regards money and the result was that prices in this part of the world remained remarkably stable, whereas in Europe inflation was causing havoc in money systems. Now, China's various military factions are flooding the country with unsecured paper currency, it being estimated that in Manchuria alone there are small paper notes in circulation to a face value of between three hundred and five hundred million dollars. These small denomination notes are rapidly becoming worthless and as a result an otherwise prosperous region is in the depths of financial despair.

In Hankow trade is hampered by the embargo on silver. The crux of the situation in the Hankow region is the Central Bank of China, which, it is reported, contemplates putting out note issues to a face value of about two hundred million. The exchange value of the Central Bank's notes has already dropped considerably.

Despite the figures showing a very substantial volume of American trade, the bare figures do not tell the true story. The big American houses in China are experiencing many difficulties in a business way. By way of example it may be mentioned that severa months ago the authorities at Kiukiang confiscated a cotton mill equipped with American machinery. In order that the interests of the American company that sold the machinery might be safeguarded until the equipment was paid for, the Chinese owners of the mill permitted the American concern to put in its expert in an advisory capacity. When the authorities took over the mill, the American expert was ordered away and now the Hankow authorities are trying their hand at operating the mill themselves.

Taxation Causes Havoc

As mentioned previously in this article the uncertainties of taxation are causing havoc in business circles. American tobacco interests are particularly affected, as a tax of fifty per cent has been put on cigarettes, and the news from Chekiang is to the effect that the authorities there intend shortly to institute a tobacco monopoly. One of the anticipated effects of the increased taxation is that cigarette makers will resort to the use of cheaper tobaccos and cut down their importations of American leaf.

At the moment in Shanghai the principal question is the matter of collecting the increased taxes voted at the last Ratepayers meeting. The Chinese are using their refusal to pay these increased taxes as a lever to further their agitation for participation, or even domination, in the handling of Municipal affairs. It is generally felt that questions pertaining to Chinese relations with foreigners are being emphasized in a manner out of proportion to their relative significance to the greater issues involving the welfare of the Chinese people. It would appear that the Chinese would be better advised to place more emphasis upon the importance of the economic aspects of China's problems.

Indications at the moment are that despite the good start, America's trade for the entire year will be considerably below the average, the more so as the Nationalist government announces a considerable increase of customs duties, many of which will affect American commodities, which figure prominently in the trade with this country.

As regards Hankow, there has been a very fair export, considering the general state of affairs. There was a particularly heavy demand for wood oil. Steamers going up river usually were almost empty, but had good cargoes coming down. Hankow commercial circles are, under the circumstances, very pessimistic, the heads of many firms spending weary hours figuring out whether they shall still hold out a while longer or give up in disgust at once. The British Cigarette Co.'s factories at Hankow remain closed and there seems little immediate prospect of their being reopened.

The large plant of the International Export Co. (British) at Hankow, ordinarily employing about six thousand hands, is closed and other packing plants in that neighborhood are also either closed or running on a very low schedule. The difficulties of securiug eggs are almost insuperable owing to the refusal of the farmers to accept the Hankow paper currency.

Tientsin Comparatively Prosperous

It is somewhat of a pleasure to turn from the dreary picture in the Yangtsze valley to the comparative prosperity of Tientsin. It is to be noted, however, that the northern port got a "move on" principally with the hope of handling as much cargo and doing as much business as possible before the wave of disorders which is sweeping over China reached that section. One of the factors which has contributed to increasing the volume of exports through Tientsin has been that a great deal of the produce that would under ordinary conditions have been shipped south on the Peking-Hankow line for transhipment at Hankow was shipped north and found an export outlet at Tientsin.

During the first four months of the year there was a considerable slump in the export of woolen rugs and carpets. The export trade from Tientsin of these articles is almost exclusively to the United States. The rug trade has been considerably spoiled by the immense quantity of "cheap" rugs that have been exported during the past year, and one of the beneficent results of the slump will probably be that while the quantity of rugs to be exported in future may be lessened the quality will be considerably improved. The United States bought heavily of undressed fur skins in the Tientsin market during the first four months of the year. The prime movers of the present season have been kid, lamb and goat skins, with kid and lamb skins predominating.

One of the big items in Tientsin trade with China is walnut kernels. The recent crops in the United States have been very poor and the indications are that the present year will see a very large export of these walnut kernels to America. More than a million dollars worth of walnut kernels were shipped during the first four months of this year from Tientsin to the United States, this figure being only slightly below an average for a whole year.

It may be noted in conclusion that exporters generally are faring much better in China than importers, but importers have this consolation before them: Despite a prevailing impression in many countries to the contrary, the Chinese, when they have money, are inclined to spend, so it would not be at all surprising that in the course of six months or a year import trade into China from abroad will "buck up" wonderfully.

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As American Editors View The China Question

The Convict Crew

(Ada, Okla., News)

A Washington dispatch says the Republican administration's "convict crew" is about to receive another recruit. Leonard Husar, who was United States district attorney in China, where there is a U. S. Federal Court, has been convicted of accepting a bribe of $30,000 in gold while serving as U. S. attorney. Husar was appointed in February, 1922, and served until 1926, under Presidents Harding and Coolidge. Colonel Forbes, the Republican Director of the Veterans' Bureau, is in the penitentiary, and the Republican warden of the Federal penitentiary in Atlanta is now a convict in that prison. Col. Thos. W. Miller, former Alien Property Custodian, is under sentence, and former Attorney General Daugherty escaped because the jury lacked one or two of being unanimous for his conviction. Former Secretary of the Interior Fall is yet to come to trial. Former Governor McCray of Indiana is still in the Atlanta penitentiary and former Congressman Langley of Kentucky was recently liberated.

Corruption Abroad

(Sacramento, Cal., Union)

Conviction recently of Leonard G. Hussar before the United States court for China and Shanghai was a distressing episode along the trail of failures among official representatives in foreign lands. Husar was charged with taking part in opium smuggling, gun running and in selling documentary evidence against persons charged with the commission of crimes. The offenses of which he was adjudged guilty were committed while he was United States attorney for the China branch of the federal court.

This is a case that shames Americans. It is particularly painful to those Americans in China who have labored and are still laboring hard to build up American prestige. The Chinese have been provoked into saying that such crimes are beneath them and that a nation which is afflicted with such corrupt agents as Hussar proved to be is not entitled to maintain court jurisdiction in China.

Chesterton and China

(Tacoma, Wash., News Tribune)

Gilbert Chesterton, in the *Illustrated London News*, states a new viewpoint on the Chinese situation in these words:

We have insisted on their having machinery and objected to their having machine guns; we have often allowed them to enter the halls of our own national colleges and then forbidden them to take part in their own national councils; we have laughed at them for wearing their own costume, and then laughed at them again for adopting ours; we have called the Chinaman a Heathen Chinese when he was immovable and a Yellow Peril when he began to move; we have derided him for being deaf to Europeans, and then accused him of lending an ear to Russians; and finally we express a reasonable apprehension about the destructive danger of his prolonged civil wars, and wind up by saying, with a smile, that they are never anything but sham fights.

According to the Chesterton theory, it is not a Chinsee question which confronts the world, it is merely a Chinese answer.

China Merely Demands a Free Country

(By William Green, President, American Federation of Labor in the Rochester, Mich., Era)

There is no danger that the revolutionary movement in China will result in the creation of a soviet or communistic government. The movement is the culmination of a growing desire on the part of the Chinese people for the enjoyment of self-government and the blessings of liberty and freedom, and the demand for a free China has been accentuated by the action of certain foreign governments in demanding extraterritorial rights and special concessions in Chinese territory.

The laboring people of the United States would be opposed to our government doing anything more in China than to extend the protection to American lives and property.

The American labor movement believes that the Chinese people should be given the widest and fullest opportunity to establish a government of their own choosing and to exercise its sovereignty without interference from other nations. The great powers which have admittedly been encroaching upon Chinese territory should immediately withdraw from Chinese soil, give up every concession which they had gained through force or otherwise and thus leave China free to work out its own destiny.

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Shanghai Official T. T. Quotations. (1927)

HIGH

1927	Bar Silver London	Bar Silver New York	Gold Bars°	£	Rps.	Frs.	U.S.$	Mks.	Yen	Glds	Straits $	Hkg. $	Local $
January	27.13/16*	59.1/16	404.60	2/8 *	177¼*	16.40	64.75*	—	84 *	161.—*	97.—*	81.50 *	73.4375
February	27.9/16	59.¼ *	387.80	2/8	177¼	16.45*	64.75	—	79¼	161.—	91¼	80.—	72.9000
March	26¼	56½	407.70*	2/6¼	168¼	15.65	61.25	258	84	152¼	96	81½	72.8250
April	26¾	57¼	397.50	2/6¾	171½	15.60	62.25	262.50*	80½	154¾	92¾	81	73.4000
May	26.9/16	57¼	378.80	2/6¾	171	15.85	62.25	262.50	78	155	92	80.5/8	73.6750
June	26.7/16	57¼	372.80	2/6¾	171½	15.85	62.25	262.50	76¾	155	91¼	78¾	73.2500

LOW

January	24¾ †	53.1/16†	355.00	2/4¾†	159 †	14.70†	58.25†	—	75.50	144.50	87.—†	79.50	72.6750
February	26.3/16	56½	356.00	2/6½	169	15.70	61.75	—	75.50	153¼	87.—	79.—	72.0500
March	25.3/16	54¼	383.70	2/5	160¾	15.—	58.75	247 †	80.—	146 †	92	80.—	72.2375
April	25¾	55.3/8	366.40	2/6	167½	15.50	60.25	256	77.—	150¾	90½	80.5/8	72.8125
May	25.11/16	55.5/8	348 †	2/6¼	168	15.60	61.25	258	74¼ †	152¼	90	78 †	72.7875
June	25.15/16	56.1/8	349.70	2/6½	169¾	15.75	61.75	260	74¼	153½	90½	78½	72.3000

* highest
† lowest

° N.B. Quotation for Gold Bars represent actual business rates.

Average Official T. T. Opening Rates. (1927)

January	25.863	55.795	2/6.020	166.10	15.32	60.792	256.25	80.562	150.865	92.937	80.828	73.00
February	26.854	57.898	2/6.895	171.55	15.92	62.539	264.25	78.316	155.263	90.118	79.737	73.00
March	25.655	55.306	2/5.519	163.99	15.26	59.782	252.—	82.356	148.611	94.278	81.019	72.55
April	26.136	56.399	2/6.293	169.—	15.62	61.337	258.90	78.940	152.457	91.837	80.707	73.10
May	26.072	56.280	2/6.394	169.25	15.68	61.538	259.50	76.557	152.942	91.567	79.759	73.20
June	26.208	57.066	2/6.636	170.71	15.71	62.021	261.60	75.333	154.312	90.844	78.615	72.60
Average												
1st quarter	26.1/8	56.5/16	2/6.9/16	167¼	15.50	61.—	257.50	80.40	151.9/16	92.45	80.70	72.85
2nd quarter	26.1/8	56.9/16	2/6.7/16	169.5/8	15.60	61.5/8	259.65	76.95	153¼	91.40	79.70	73.—
1st half-year	26.1/8	56½	2/6½	168½	15.55	61.3/8	258.55	78.11/16	152.45	91.90	80.10	72.90

Such action would give recognition to the commonly accepted principle of self-determination of the people and the right of all nations, great and small, weak or powerful, to settle their own national, social and political problems in their own way and in accordance with their own ideals.

"The Mischievous Man From Missouri"

(St. Louis, Post-Dispatch)

Once before we had occasion to refer to the honesty and courage of J. B. Powell, editor of the *China Weekly Review*, published in Shanghai. Powell, a Missourian, got his journalistic education at the University of Missouri, and he is handling himself in such a way as to shed luster upon his school. That he is becoming less and less popular among the exploitation crowd in China is evidenced by excerpts from an article in The *North China Herald* which we publish in *The Mirror* column today. The article referred to was an attack on Mr. Powell by one Bruce Lockhart which appeared in the *North-China Daily News*.

Powell's offense is that he has taken the side of the nationalists, and he has pursued that cause, to use the *North China Herald's* words, with ability, sustained laboriousness and diligence. He has dug up so many arguments for the nationalists and against the British and other historic exploiters of China that they are stunned for a reply. Hence the whining attack on Powell and his origin, and the stereotyped charge that what Powell is doing is a betrayal of "our common heritage."

Of course, personal attacks upon Powell are silly. He has taken the nationalists' side because he believes it is right, and the only way to call him off is to prove it is wrong. If he were the sort of man to grasp the main chance, he would long ago have seen that his personal interests lie with the foreign clique and against the men who are battling for a free China. He would have become Minister MacMurray's yes man.

The *North China Herald* apparently cannot understand such a person, but if they give him time, Powell will teach them what he learned at Missouri about the motives and obligations of a free editor.

China And The Western Die-Hards

(Little Rock, Ark., Gazette)

The idea long held by most of the Western world, that China is a region peopled by an inferior race and a field for profitable exploitation by Western capital and enterprise, dies hard in some minds. A Britisher and former member of the Shanghai Municipal Council, P. W. Massey, passing through New York on his way to England, informs mankind at large that he can see no hope for China except in some kind of temporary foreign intervention, which might take the form of maintaining foreign garrisons at key points until peace and order had been restored and China enabled to return to "constructive work." He also was sharply critical of the surrender of the British concession at Hankow, calling the action a "fatal error" and contending that the Chinese had no moral right to the area, since it had been built up by the capital and industry of foreigners.

Plaints of this sort are unlikely to evoke much sympathy in the United States. Americans, with their traditional attitude of friendliness toward China and the Chinese, will not accept this assumption that the forging of a nation in the fires of revolution is destructive, as opposed to constructive work. Nor will native insistence on "China for the Chinese" seem to them an unwarrantable aspiration.

In England, undoubtedly, Mr. Massey will find many men of his own outlook who will share his disgruntlement. But he is not likely to get far in persuading the British government to a policy of forcible intervention in Chinese affairs. However British business men and investors may feel about the collapse of the old regime, British statesmen know that China is out of hand at last, and that those 400,000,000 Chinese will not brook foreign dictation in the domestic affairs of their nation.

China and Publicity

(Nashville, Tenn., Banner)

Though China is torn by internal dissension and is the scene of necessarily destructive marches and countermarches of opposing armies, the net result of the warfare and confusion may easily be excellent for the country. One reason for the hope that China will eventually benefit from the present chaotic state of affairs in which it finds itself lies in the nature of the publicity it is getting. Almost without exception the press of the world seems disposed to take a sympathetic view of China's civil struggles and to regard them as evidences that the country is making a determined effort to find itself and emerge into the full light of a new and better day.

For specific examples of the manner and extent to which the attention of the world has been and is centered on China, it may be noted that the *Literary Digest* recently devoted practically an entire issue to an exposition of China as it is today,

and that the current *National Geographical Magazine* contains hardly anything but profusely illustrated articles on China, In both cases named and a great many others that might be mentioned there has been no disposition to do more or less than furnish the general public reliable, unbiased information about China as it is in 1927. The newspapers in general have followed something of the same tactics and there has been released for public consumption a vast store of news about China, the most of it measurably reliable. It can but result in augmented interest in China and more adequate and intelligent comprehension of the nation's aims, ideals, possibilities and needs.

The present ontbreaks of war between Cantonese and Pekingese have disabused many minds of the notion that China was a land where everybody wore pigtails, smoked opium, paddled about in sampans and dwelt in the land of day before yesterday. The world has realized that there is a new China, peopled by new Chinese, and alert and determined to better its condition and take its place among the considerable nations. China is paying a heavy price for the gains it is making in public consciousness, but the benefits are worth a great deal.

Mistaken and Mischievous

(Asheville, N. C., Citizen)

We are informed in a New York dispatch that the wife of an American naval officer stationed in Tientsin has written a letter to her father in this country describing the situation in China and containing this sentence: "A real show of force would quiet the yellow dogs for another decade." The sentence is important and regrettable because it sums up to a nicety the attitude of too many Americans toward the Chinese.

It is easy for one people to despise another because there is always envy or jealousy to serve as a foundation for the belittling sentiment. It is as easy as it is dangerous because the one nation invariably bases its judgment on the lowest and most worthless classes of the other's population.

China had developed a noble philosophy and a lofty ethic when America was the home of savages. The Chinese had a fine literature and an exquisite art when our forefathers were grubbing in the bushes of mid-Europe. Nearly three hundred years before Columbus sighted this continent the Mongols were the world's outstanding warriors, and Jenghiz Khan, at their head, had stretched his empire across Asia and into Europe, from the shores of the China Sea to the banks of the Dnieper River.

And yet there are Americans who try to dismiss the Chinese from the international equation with the phrase, "the yellow dogs!" They say the Chinese are effete and can not fight despite the fact that nearly two million of them are under arms today and one of their generals has displayed the military genius to be expected in the sons of one of the greatest conquerors the world has ever seen.

The more these Americans make the tragic mistake of thinking of those people as "yellow dogs," the more the Chinese will regard them as "white dogs" and have great provocation for their opinion. Americans have got rich in China. China produces wealth. And she seems well on the way to producing other things that will compel outsiders to view her with respect and admiration. It is a mistake for any nation to despise another. It is particularly a mistake just now for any nation to despise China. The Dragon has come out of his long sleep.

More Dangers Ahead in China

(Washington, D. C. Daily-News)

A second, and unusually grave, crisis is approaching in China.

The net is beginning to close in on Peking, diplomatic center of the ancient Flowery Kingdom.

Nationalist forces form a huge crescent about the Northern capital, stretching all the way from Kalgan, 124 miles northwest of the city, southward thru Shansi and Honan provinces, then curving northward again in the direction of Shantung.

Inside this crescent, as a sort of focal point, is Peking. Defending Peking is Marshal Chang Tso-lin, war lord of Manchuria former bandit and darling, not to say tool, of some of the foreign powers.

But Marshal Chang was too long an outlaw not to learn the fox-like trick of backing out of a net while yet there is an opening thru which he may escape. And the railroad between Peking, Tientsin and Mukden, Chang's own stamping ground, is still open. The retreat of his forces along that line would not be surprising.

That the Great Powers are expecting startling, if not dangerous developments has been apparent for some time. More than 2000 American Marines have been ordered north from Shanghai, while Britain, Japan and other nations have taken similar measures. There are today no less than 15,000

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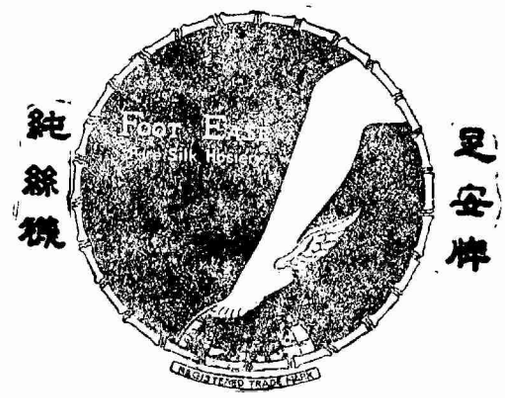

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foreign troops in and about the Chinese capital, while the various legations quartered in Peking have been warned to be ready to move to Tientsin, where they can be protected by foreign warships.

Another grave symptom is the occupation of Tsingtau and other points in Shantung by the Japanese. Japan took over the province of Shantung, to all intents and purposes, after the Germans were driven out. But international opposition forced them to evacuate in turn, much to their chagrin. Now they are back and it remains to be seen if and when they will leave again.

It looks very much as if the Nationalists were on the point of completing their conquest of China. If so, repetitions of the Nanking affair are to be feared, for not only are there several hostile cliques within their ranks, but some of the foreign powers would like nothing better than to see the whole movement discredited if not completely erased from the map.

In the coming crisis the United States will have to watch its step closely, as it did following the fall of Shanghai and Nanking. History may be made by America's decisions in China during the next few weeks.

Converging on Peking

(N. Y. Evening Post)

With the tension relieved at Shanghai and the other foreign communities in the Yangtse Valley the civil war in China slipped unostentatiously off the front page. Nationalists, Communists and indeterminists set up their rival governments and went merrily on their way to new and better wars, but the Western reader refused to follow any further the devious paths of a score of rival generals with unpronounceable names.

Now the situation has become more compelling. The possibility of Peking and Tientsin falling into the hands of those whom we must broadly designate as the Cantonese once again draws our attention to the Chinese puzzle.

The Communist branch of the Nationalist forces and the more conservative elements represented by General Chiang Kai-shek have apparently set aside whatever differences they had for later consideration. The armies of both factions have been advancing steadily along the lines of the railroads they control and the defection of Northern troops is fast bringing them within sight of their ultimate goal—Peking.

They have sofar met with little serious resistance. Buffer troops in the provinces of Honan and Shantung are going over to the enemy in the approved fashion of Chinese wars, and the latest adherent to Nationalism, according to reports from Peking, is General Wu Pei-fu. The only obstacle in the course of the Southerners is that doughty Manchurian general Chang Tso-lin.

In many ways this war lord, who fought with Japan in the Russo-Japanese War, is the most nearly permanent figure in recent Chinese history. Although paradoxically he was once allied with Sun Yat-sen, he represents only real opposition in China to the Nationalism espoused by the Cantonese. He is bitterly opposed to anything emanating from Moscow. He is strongly in favor of himself as the foremost power in China. Consequently, he should be expected to muster whatever forces he can to resist the Southern armies which will converge on Peking, but if he is hopelessly outnumbered he will undoubtedly follow a policy which he has often pursued and which is strongly advocated by those who wish "to live to fight another day." He will withdraw behind the security of the Great Wall to his own province of Manchuria, where since 1911 he has held undisputed sway.

That with the North as well as the South in their hands the Cantonese could permanently settle their internal differences and extend any effective control over the country would seem highly improbable at the present stage of Chinese political evolution. Yet a year ago no one believed they could ever threaten Peking. It might be said equally of China as of Ireland, that it is a country "where the inevitable never happens and the impossible always occurs."

China Getting Firmer Grip on Education

Ordinances for the organization of a University Council, to control and administer all educationl affairs in China, were passed at a recent meeting of the Central Political Council at Nanking.

Under the Council there is to be a University Committee which shall consist of the presidents of all Chung-San Universities throughout the country, the directors of the Educational Bureaus of the Council, and from five to seven specialists and experts to be selected and engaged by the President of the Council.

An Educational Bureau is to be established by the Council, the staff of which is to attend to all inter-University relations as well as all educational administration not directly pertaining to the universities.

The Council shall have the authority to found such national educational institutions as labor universities, libraries, museums, art galleries and observatories.

The First American Catholic Bishop in China

Bishop James E. Walsh **Rev. James A. Walsh**

The above is a picture of the two Brothers Walsh, who have had much to do with the development of American Catholic missionary work in China. Bishop James E. Walsh, who recently was consecrated as the first American Catholic Bishop in China is standing on the left and he is talking to Rev. James A. Walsh one of the founders of the Catholic Foreign Mission Society of America which has sent one hundred Priests, Brothers and Sisters to China and has upwards of four hundred more in the United States preparing for service in this country. Fr. James A. Walsh is one of the leading figures in the 'Maryknoll' Mission which came into existence in 1911. The Rt. Rev. James E. Walsh has his headquarters at the Catholic Mission, Kongmoon, Kwangtung province.

Why The Chinese Refuse To Pay Taxes

"No taxation without representation," declared Dr. C. T. Wang, chairman of the Chinese Ratepayers' Association in a statement issued July 6, after it had been read and passed at a meeting of the Association held in the General Chamber of Commerce.

The Association declared that the Chinese will not pay the extra two per cent tax passed at the last Ratepayers meeting. The Chinese are using the refusal to pay the increased taxation as a lever to secure representation on the Municipal Council. They now declare that they will not be satisfied with the three seats offered.

"The chief grievance of the Chinese ratepayers," said Dr. Wang, "is that while they have to bear a larger portion of the burden of taxation they are denied representation in the Council, thereby depriving them of enjoying such privileges which are due to them as using the public parks, the public swimming baths, the expensive Municipal Band and a host of other things.

The Shanghai Municipal Council is now vociferously broadcasting its generosity of offering three Chinese members on the Council to the Chinese ratepayers. We wish to know on what ground they assume the right to make an offer. It sounds like the guests of a family to offer so many seats to the members of the family at the dining table. We further wish to know on what basis that the Chinese have been given three seats on the Municipal Council. It smacks so much of arbitrariness.

When the Chinese Ratepayers Association was first organized in 1922, all efforts made for Chinese representation on the Council were haughtily brushed aside and reasons were advanced purporting to show why the Council had not the right to change the status quo. The Chinese, being patient, agreed to elect five advisors which the Chinese Ratepayers Association accordingly did, comprising such prominent business men, like Mr. Sung Han Chang, Mr. K. P. Chen and others. Their advice was so little sought—so much so that the advisors resigned enbloc two years ago.

The offer of the Municipal Council of three members only came after the prolonged closing down of all business firms and shops as a result of the May 30, 1925, tragedy.

Nanking Government to Revise China's Code

The new Nationalist Government at Nanking is not losing any time in taking up the question of the codification of China's laws, and the establishment of the Law Codification Bureau last week is still another step towards the eventual abolition of all extraterritorial rights in China.

The draft of the Ordinance under which the Bureau functions is as follows:

1.—The Bureau is directly under the Nationalist Government; and its work will be:

(a) to draft and revise laws, codes, and ordinances,

(b) to preserve the text of the laws, codes and ordinances drafted.

(c) to restate and publish the laws, and codes in operation.

2.—The Bureau is to be under the charge of a director appointed by the Nationalist Government.

3.—The Bureau will have a staff of six to nine members, to be appointed by the director, and to take charge of the following departments:

(a) department for the drafting and revision of laws and ordinances pertaining to economic subjects;

(b) department for the drafting and revision of laws and ordinances pertaining to civil administration and the administrative functions of the Government;

(c) department for the revision of the civil and criminal code and such laws and ordinances pertaining to the administration of justice.

4.—The Bureau will have a secretarial staff to take charge of the correspondence, translation, and compilation and preservation of manuscript texts and other important papers.

5.—The Bureau reserves the right to engage the services of specialists and experts to investigate, look into and draft any sopecial laws, when such special laws are called for.

6.—The laws, codes and ordinances drafted or revised by the Bureau should be submitted to the Committee on Law Codification for approval through the Nationalist Government,

Many University Men on Shanghai Mayor's Staff

Gen. Hwang Fu, Mayor of the Chinese area at Shanghai and himself a scholar of note, has announced the appointment of a Cabinet composed of ten members, practically all of whom are graduates of Chinese colleges or are returned students from America or Europe. The list includes the following:

(1) Police commissioner, Shen Pu Jen 沈毓麟字譜琴. Assistant commissioner Chang Zien Chun 張清澄字仲芬 Graduate of Nanyang College.

(2) Commissioner of Revenue, Shu Zien Fu, 徐鼎年字清甫 banker, formerly director of Bank of China in Hangchow.

(3) Commissioner of Public Works, Dr. Shen Chung Yee 沈君怡, Graduate of Tung Chi and returned student from Germany, got his Ph. D. in civil engineering in Germany.

(4) Commissioner of Public Utility, Huang Bah Ziau 黃異字伯樵, Graduate of Tung Chi and returned student from Germany, formerly commissoner of public works in Hankow.

(5) Commissioner of Charity Dept., Wang Han Tse 黃涵之 member of local gentry.

(6) Commissioner of Harbor Dept., Lee Nien Tse 李宜之 returned student from Germany, formerly commissioner of industry in Shansi, Province.

(7) Commissioner of Education, Chou Ching Nung 朱經農 American returned student, formerly of Shanghai College and Kuang Hua University.

(8) Commissioner of agriculture, commerce and labor, Pan Kong Zu 潘公展, formerly a journalist in Shanghai, member of the political committee in Shanghai.

(9) Commissioner of Land, Chou Yeen, Belgian returned student, formerly the Chinese director of 朱坡 China-French Technical College in Shanghai.

(10) Commissioner of Health, Dr. Hu Hou-ki, 胡鴻基 an American returned student who has been connected with the Rockefeller Hospital at Peking.

In the Department of Health, there are also four other returned students who will have charge of the various divisions and laboratories.

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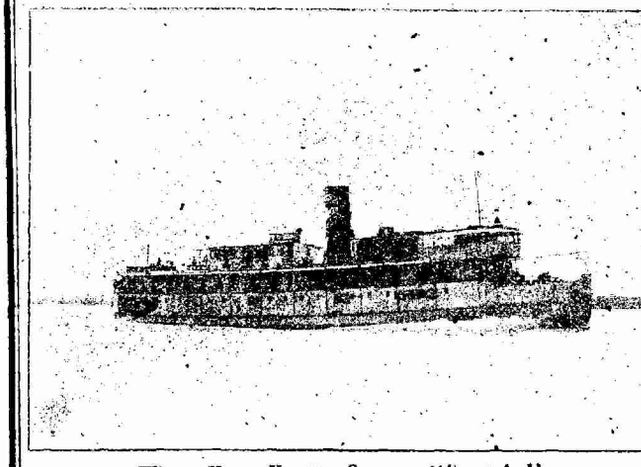

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Men and Events

When you talk of saving face China always will lend an ear.—*Manila Bulletin.*

Manuel Quezon, prominent Filipino politician, is due in Shanghai by the s. s. *Empress of Asia* arriving to-day.

Bishop Roots at Hankow is administering a fund of more than two thousand dollars contributed by individual members of the Society of Friends in England.

J. C. Vincent, American Cousul at Changsha departed for America on home leave on the *President Hayes* making the trip around the world through Europe. Mr. Vincent's home is at Macon, Ga.

Dr. Anne Walter Fearn writes from Italy expressing thanks for the testimonial recently sent her from Shanghai. Mrs. Fearn says she sees much of S. S. McClure, who is writing a book on Italy and Mussolini.

The French community in Shanghai celebrated Quatorze Juillet (Fourteenth of July), the counterpart of America's Independence Day, with just the same enthusiasm as the American community celebrated the Fourth of July ten days previously.

The United States Court for China was occupied the greater part of the week in trying the case in which W. W. Worthington, Shanghai attorney, and Samuel Chaiet are being charged with carrying weapons with intent to dispose of them unlawfully.

The China Navigation Co., which operates the largest fleet of British coasting steamers on the China coast, moved three of its ships July 9, one for Hankow, one for Hongkong and one for northern ports, with non-Guild members in charge. The Guild continues its strike.

The activities of Edgar E. Strother, in charge of the China Christian Endeavor Union, who has recently issued a pamphlet on "A Bolshevized China", have aroused the ire of the large majority of Chinese Christians, and at a recent meeting in the Chinese Y. M. C. A. resolutions were passed with a view to suppressing circulation of the pamphlet.

Quo Tai-chi, the special commissioner for foreign affairs of Kiangsu province, entertained the members of the Shanghai consular body Saturday evening, July 9, at the Majestic Hotel. E. S. Cunningham, American Consul General and Senior Consul, proposed a toast of appreciation of the spirit of hospitality shown by Mr. Quo.

Elly Widler, a Swiss citizen born in China, who was captured by bandits in Szechuen several years ago, and who later wrote a book on his experiences, submitted himself to a test of a bullet proof jacket at the hands of the Shanghai police recently. A. 32 automatic pistol was fired at a range of less than three yards and the only trace of the bullet's impact was a slight red mark on the body.

William S. A. Pott, son of Dr. F. L. Hawks Pott of Shanghai has been appointed Professor of History and Oriental Languages at the University of California and will begin his new duties this fall. For the past five years Mr. Pott has been professor of Philosophy at the University of Virginia. He has been in Shanghai on vacation this summer and plans to depart for San Francisco on July 16.

William G. Gardner, until recently connected with the Tobacco Products Corporation in Tientsin, committed suicide in his room at the Astor House Hotel in Tientsin on July 6 by shooting himself through the head. Mr. Gardner was 28 years of age and had been with the Company for about a year. According to the report in the *North China Star* Mr. Gardner had resigned from the Company about a month ago and failed to find other employment.

Robert S. Pickens, correspondent for the *Atlanta Constitution* and F. P. Frazier, correspondent for the *Philadelphia Evening Bulletin*, who have been in China for some time are planning to sail for Europe on Monday, July 18, on the s. s. *Trier*. While in China Mr. Pickens also served as correspondent for the *Chicago Tribune* making a trip to Hsuchowfu where he covered the conference between Chiang Kai-shek and Feng Yu-hsiang. Mr. Frazier has been connected with the *China Courier*.

According to a letter written by William P. Roberts, to the *New Republic*, a group of students at the University of Seattle, Washington, on April 27, after listening to speakers on the Chinese situation, passed a resolution condemning American foreign policy in regard to China, as being unsuccessful in its avowed aim.

O. J. Todd, American engineer with the China International Famine Relief Commission, was married on July 2 to Dr. Lois Pendleton of Techow, Shantung province. The wedding took place in Manila and immediately afterward Mr. and Mrs Todd departed on a trip through Yunnan province,

Mrs. Todd is a graduate of the University of California and has been connected with the American Board Mission Hospital at Techow for some time. Mr. Todd has been engaged upon reclamation work for the Famine Relief Commission in Hupeh province and holds an honorary appointment from the Nationalist Government at Hankow.

Who's Who in China

Judge Hsu Mo
(徐謨)

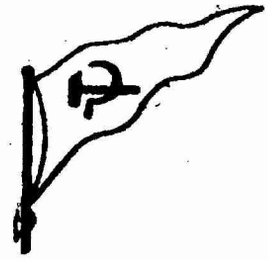
Judge Hsu Mo is one of those occupying a woolsack at the Shanghai Provisional Court in the International Settlement. Born in 1892 at Soochow, Judge Hsu was given a thorough classical Chinese education in his boyhood and finished his middle school course in his native city. In 1912, Judge Hsu joined the Law Department of the Pei-Yang University at Tientsin and in 1916 was graduated from that well-known institution with the degree of LL. B. After his graduation, Judge Hsu devoted his time between 1917 to 1918 to the teaching of English and Law at the Yangchow Middle School, Yangchow. In recognition of his legal and scholastic attainments, Judge Hsu was awarded in 1919 by the Ministry of Justice of the Peking Government a certificate for exemption from judges' examination. In the same year, Judge Hsu distinguished himself in diplomatic circles by passing the Diplomatic and Consular Service Examination with highest honor; and from 1920 to 1922, Judge Hsu served in the capacity of an attache in the Chinese Legation at Washington, D. C. In the meantime, Judge Hsu was appointed Secretary of the Chinese Delegation to the Washington Conference on the Limitation of Armaments. Taking advantage of his residence in America, Judge Hsu pursued courses of Law and Political Science at George Washington University and won the honor of being the recipient of Master of Laws in 1921. Upon his return to China from Washington in the fall of 1922, Judge Hsu immediately became professor of Law and Political Science in Nan-Kai University at Tientsin and continued to hold that position until 1926. During 1925—1926, Judge Hsu was also the Dean of the College of Arts of that University. In 1926 Judge Hsu became a member of the Bar Association of Tientsin and at the same time acted as the Managing Editor of the *Yi Shih Pao* (Social Welfare), Tientsin. In the latter part of 1926, Judge Hsu came to Shanghai and on January 1, 1927, Judge Hsu was appointed Judge of the Shanghai Provisional Court which position he now holds. It is learned that in the coming Autumn Judge Hsu may join the Faculty of the Comparative Law School of China as Professor of International Relations and International Public Law, if his duties as a judge permit.

From the Chinese Press

July 6—Cargo-lighters discharging coal for the Mitsu Busen Kaisha at Canton confiscated by boycotters; anti-Japanese boycotters also active at Amoy—Chinese commander at Tsingtao notifies Chamber of Commerce that he has gone over to Nationalists and instructs public to carry on as normally—Stevedores Union at Canton suspends work for Japanese steamers; propaganda being organized in Canton schools urging complete severance of relations with Japan—Reported 200 cases of cholera in Canton—Gen. Ching Shih-lien, who was sent to Shansi to interview Yen Hsi-shan on behalf of Chang Tso-ling, returns to Peking and reports that he was unable to see Yen on account of Yen's 'illness'—Japanese cabinet holds session to consider problem of Japanese residents in Tsinanfu—Tientsin report by *Toho* states that Generals Chang Chung-chang and Sun Chuan-fang discover further plots among their subordinates to go over to South—Japan decides to ratify new opium treaty—*Toho* report from Tokyo states Government decided to dispatch the 2,000 Japanese troops now at Tsingtao to Tsinan and to send 2,000 more troops from Dairen to Tsingtao—Japanese Consul at Canton protests seizure of cargoes of cotton yarn and piece goods; Japanese claim boycott being carried out by 'both officials and people'—*Kuo Min* (Nanking Official) news agency report states Kiangsu Reconstruction Bureau has begun an investigation of labor and agricultural conditions at Sungkiang, Changchow, Yangchow, Chinkiang, and Hsuchow—Nanking appoints Codification Bureau to draft, revise and codify laws—Nanking announces ordinance for organization of 'University Council of Republic of China' to administer all educational affairs of country—Peking Diplomatic Body meets to consider Nanking Government Tax proposals—Yang Yu-ting, chief-of-staff of Chang Tso-ling returns to Peking from Mukden—Nanking appoints commission of thirteen take over Yangtsze River Commission at Shanghai, formerly an organ of the Peking Government—Peking Foreign Office decided to conduct negotiations for revision of Sino-Spanish treaty in Madrid instead of Peking—Chiang Kai-shek instructs Gen. Yang Hu, defense Commissioner at Shanghai, to investigate 'social' conditions at Shanghai—Feng Yu-hsiang's troops capture Tsining, Shantung—Central Political Committee in Nanking decides that the Chungshan University in Canton shall be known as First Chungshan University of China—*Kuo Wen* reports that Li Hur-sung, managing director of the Shanghai-Hangchow Railway has decided to lend Chiang Kai-shek six locomotives for service on the Tientsin-Pukow line, owing to the British refusal to permit locomotives from the Shanghai-Nanking line to be transferred across the Yangtsze.

July 7—*Toho* report from Tsingtao states 500 American Marines landed to protect American lives and properties—*Toho* states that Gen. Chen who revolted from Sun Chuan-fang at Tsingtao has 2,000 men, but that Gen. Sun is sending some 6,000 men to attack Chen's forces—Serious bandit outrages develop in Manchuria, bandits claiming to be followers of the late Kuo Sung-lien who rebelled against Chang Tso-ling in 1925—British reported to have instructed their Consul-General in Tsinanfu to evacuate—Fengtien sends further reinforcements to Techow, owing to the probability of the evacuation of Shantung by Sun Chuan-fang and Chang Chung-chang—Chang Tso-ling orders arrest of his subordinate Gen. Ma at Jehol on grounds of disloyalty—*Toho* dispatch from Tokyo states that Cabinet has definitely decided to send the 2,000 troops from Tsingtao to Tsinan and to station additional forces along the Kiaochow-Tsinan Railway, the report stating that 'it is clearly understood that Japan has no malicious intentions' in this action—Sun Chuan-fang rushes reinforcements toward Tsingtao from Tsinan—General Hwang Fu inaugurated as Mayor of Shanghai with fitting ceremonies in the compound of the former Taoyin of Shanghai; Gen. Hwang delivers address of acceptance in which he emphasized the necessity of developing the municipal administration 'to compare favorably with the foreign settlements..so that when the day arrives for the restoration of the settlements, we are quite prepared for it'—Sun Chuan-fang issues statement in Tientsin opposing landing of Japanese troops at Tsingtao—Moh Teh-hui, civil governor of Kirin plans establishment of bank to promote and foster mining industry—Chiang Kai-shek orders immediate attack on Tsinanfu, that city must be captured in six days—Chinese commercial bodies entertain Chiang Kai-shek and Gen. Hwang Fu at Commerce Chamber; Yu Ya-ching eulogizes Gen. Chiang for his stand against the communists; Gen. Chiang, replying explained the difference between communism and the Sun Yat-sen principles and side that the Principles were intended

(*Continued on page 179*)



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41-233

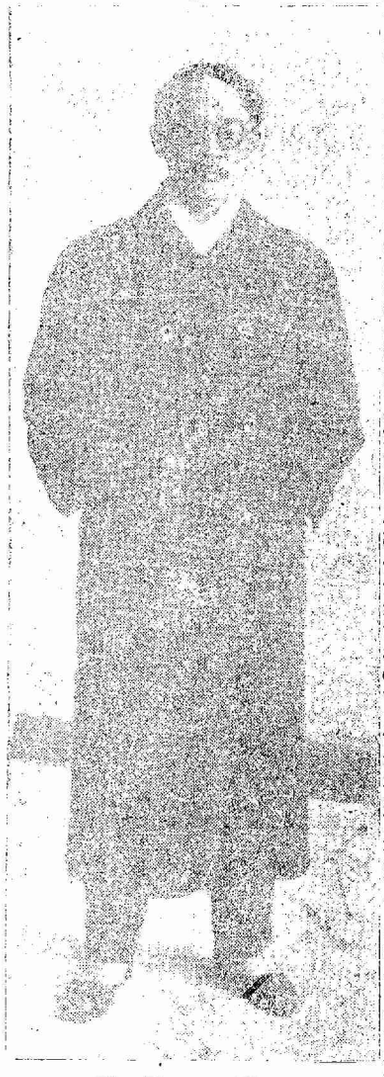
Are Nanking And Hankow Preparing For a Showdown?

BY J. B. P.

To the present, the fight between the Nanking and Hankow Nationalist Governments has been a battle of words, proclamations, telegrams, messages for public consumption in China and abroad. Before Feng Yu-hsiang appeared on the scene much of the pro-Nanking and pro-Wu-han propaganda was directed at him, each side bidding for his favor. When Feng reached Chengchow in Honan he met delegates from the Wu-Han Government and the reports sent out regarding that meeting led to the belief that Feng would support the Wu-Han Government, but the following week Feng traveled to Hsuchowfu in northern Kiangsu and there he met the adherents of the Nanking Government, following which the Christian General sent a telegram to Hankow suggesting that the Communists get out.

Some Housecleaning at Hankow

It is not entirely elear as to what happened at Hankow following the receipt of the Feng letter, but a perusal of the Hankow newsappers, the *Herald* (Ameri- can) and *People's Tribune* (Government organ) show that an attempt was made to curb the radical labor unions, but the attempt was short-lived because the laborers were shortly able to regain control of their premises and then the papers came out saying that the whole thing was due to a mistake and all was lovely again. Similar happenings apparently took place in Hunan province where the peasants' agrarian movementhas been in progressfor some time. Gen. Tang Shentse, the Hunanese commander and chief supporter of the Wu-Han Government, dissolved the peasants organizations, but now there are reports that an 'understanding' has been reached and the unions have been opened again. All of which is indicative of the fact that the long-extended propaganda of the radical wing of the Kuomintant has created something which cannot be stopped, even by the militarists, and herein rests the strength of the Wu-Han Government. The *People's Tribune* for July 2 contains an article referring to the erceipt of the telegram from Feng Yu-hsiang ordering the ousting of the Communists and states that a preliminary reply was sent to Feng stating that, first, there can be no question of compromise on the part of Wu-Han with Chiang Kai-shek, and second, that the question of the relationship between the Communist Party and the Kuomintang is a matter of such great importance that it can be settled only at a plenary session of the Central Executive Committee of the Kuomintang.



Mr. Eugene Chen

Is a Military Action Pending?

According to a report from Hankow on July 7, which did not reach Shanghai until July 11, it was definitely stated that the Wu-Han Government is now contemplating military action against Chiang Kai-shek, the military movement being headed by Gen. Chang Ea-kwei of 'iron army' fame. The report stated that Gen. Chang Fa-kwei will advance down the south bank of the Yangtsze toward Nanking, thus handicapping Feng Yu-hsiang's and Chiang Kai-shek's northern drive toward Peking through Shantung. It is as yet too early to know whether this move will materialize, but there can be no questioning the fact that Wu-Han is planning to break out somewhere. Originally the Wu-Han Government planned to go through to Peking with Feng Yu-hsiang, but Feng blocked that by moving his army of approximately 200,000 troops into Honan province and making an alliance with Chiang Kai-shek. Now it seems that Hankow is planning to break the circle in another direction by trying to get out to the coast either directly down the Yangtsze through Nanking or toward the South through Kwangtung to Canton. Thus it is possible that an actual military clash between the Nanking and Wu-Han factions may be on the schedule shortly.

Nanking's Strength and Weakness

Gen. Chiang Kai-shek has been able to rally about him the Chinese merchants and bankers and the moral support of the foreigners, but his weakness rests in the fact that he has not been able to obtain the support of the peasants and labor classes which are rapidly becoming organized and of course constitute the most numerous sections of the Chinese body politic. This constitutes the weakest spot in Chiang Kai-shek's defense and it is a serious matter, for while Dr. C. C. Wu, Minister of Foreign Affairs of the Nanking Government has announced that the platform of the Nationalist Government which he represents includes a plan for cooperation of labor and capital there has yet been no indications of a practical plan for bringing this about. From the stan dpoint of the laborers themselves they are only aware of the ruthless suppressionist tactics which the Nanking military has been following, practicularly at Shanghai where the general labor union has been dissolved, but nothing constructive has been created in its stead. Therefore the big problem facing Nanking rests in the development of a constructive plan for improving labor conditions which would offset Hankow's bid for labor support and especially Hankow's present drive to bring about cooperation of laborers and soldiers in a united revolutionary program.

The Shantung Campaign

Owing to the antagonism of the Wu-Han Government in the rear and Japanese intervention tactics (referred to editorially in this issue) the Northern campaign of Chiang Kai-shek and Feng Yu-hsiang seems to have been temporarily halted. A revolt against Sun Chuan-fang and Chang Chung-chang, which was staged by one of Sun's generals near Tsingtao, apparently has been suppressed, chiefly due to the activities of the Japanese in forcing the reopening of the Shantung Railway, which enabled Sun Chuan-fang to send troops to Tsingtao from Tsinanfu, the provincial capital. It also appears that the Japanese have worked out some kind of a cooperation with Sun Chuan-fang in Shantung, the details of which are not yet available. The semi-official Japanese *Toho* news agency a few days ago contained an article which indicated that the Japanese are about 'fed-up' with Gen. Chang Chung-chang, Fengtien tupan of Shantung who has flooded the area with worthless paper money, and are now turning to Gen. Sun Chuan-fang as the future governor of Shantung and protector of the fortunes of the Japanese. It is known that Dr. V. K. Ting, who was appointed Mayor of Shanghai by Sun Chuan-fang and who has been serving as Sun's diplomatic agent recently made a trip to Japan on behalf of Gen. Sun, so according to local reports it is quite possible that Japan has come to an understanding with Sun and will support him against Chiang Kai-shek and Feng Yu-hsiang, who desire to carry the war into North China and particularly Manchuria. It's a great game!

Feng Yu-hsiang's Military Strength

According to a report of the *Kuo Min* (Nanking official) News Agency during the week, Gen. Feng Yu-hsiang has a force of approximately 300,000 men of which some 197,000 infantry are now actually on the move and crossing the Yellow River. The report states that these troops have 168,000 rifles and are organized into 17 separate 'route' armies. Then in addition to the infantry there are 5 cavalry divisions with a strength of 4,500 men, besides several miscellaneous divisions and brigades in Shensi and Kansu provinces, which bring the total force up to 300,000 men. The important question, of course, is the matter of munitions. When Feng first emerged from Shensi province he was short of ammunition, but according to report he has been obtaining ammunition from the Hanyang arsenal at Hankow and has been paying for it with money obtained from Chiang Kai-shek.

New Tariff Rates and Likin

Dr. C. C. Wu, Minister of Foreign Affairs of the Nationalist Government at Nanking, in an address delivered before Shanghai newspaper men and foreign correspondents on July 8, stated that the Nationalist Government expected to obtain complete tariff autonomy on Jan. 13, 1929 and announced further that the new 12½ percent import tariff rates with 30 percent on luxuries would probably come into effect on September 1, when it was planned to abolish likin in the territories controlle Gen. Chiang Kai-shek. The surtax of 2½ percent on exports is already being collected, according to announcement of the customs commissioreer.

(*Continued from page 177*)

to foster the economic independence of China; Gen. Hwang's address stated his intentions to improve sanitary conditions in the Chinese areas of Shanghai, enforce public order, and urged merchants to help make revolution successful.

July 8—Canton boycott pickets finally permit Japanese coal to be supplied to the Canton Electric plant, but general boycott continues—All military affairs at Peking, including local gendarmie, placed directly under Chang Tso-ling—Baron Tanaka, Japanese premier, explains the dispatch of troops to Tsingtao to foreign Ambassadors—Tokyo report states that Mr. Yasuhiro, president of the South Manchuria Railway will probably retire and that Juraro Mamamoto, chief secretary will be appointed to the place—Wang Yin-tai, Peking Foreign Minister announces formation of a bureau to consider treaty revision under Dr. Wellington Koo as chairman—Japanese Government definitely decides to send 2,000 troops to Tsingtao from Manchuria—Baron Tanaka gives long explanation of Japanese policy toward China, chief point of which is that Japan will preserve strict neutrality, but will not permit the civil war to extend to Manchuria or Mongolia—Japan also sends artillerymen, railway and telegraph operators to Tsinanfu; Japanese troops reach Tsinanfu and begin construction of defenses—Military situation in Canton becomes strained owing to military movements in Hunan and Kiangsi following the alliance of Feng Yu-hsiang and Chiang Kai-shek, the report stating that Gen. Tang Shen-tse has moved his forces to Changsha and Gen. Chu Fei-te's troops from Kiukiang to Nanchang, while Gen. Chang Fa-kuei has moved his troops from Hankow to Kiukiang and Wuhsueh. Dr. C. C. Wu, gives tiffin to foreign newspaper correspondents and in the course of an address announces that the Nationalists intend to enforce tariff autonomy on Jan. 1, 1929 and to abolish likin on September 1 of this year, simultaneously enforcing an import customs duty of 12½ percent on general products and 30 percent on luxuries—Nationalist Ministry of Finance orders abolition of cigarette tax in Chekiang in order to unify system with other provinces—4,000 Nationalist troops arrive at Kaomi, near Tsingtao causing Shantung troops to retreat toward Tsinanfu—American Minister opposes use of portion of American Boxer funds as permanent fund of Tsing Hua College—*Kuo Wen* states that Red Spear forces in Shantung are attacking Northern troops—Reported that Y. M. Chien, former manager of Bank of Communications will be appointed acting minister of finance of Nanking Government.

July 9—Owing to interference of Chinese Seamen's Union no Chinese passengers permitted to sail on British steamers between Canton and Hongkong—North-China tennis team selected to represent China at Olympic Games consists of Tiao Tso-chien and Liu Tsu-kuang—Chu Chao-hsin, China's representative at the League, resigns from the Peking Government and announces he has joined the Kuomintang—*Toho* report from Peking states that Feng Yu-hsiang, taking advantage of the Shantung situation has begun a direct move on Peking, his troops crossing the Yellow River in large numbers—Quo Tai-chi, Commissioner of Foreign Affairs entertains Shanghai Consular Body at dinner at Majestic Hotel, all members being present—*Kuo Min* (Nanking official) news agency gives strength of Feng Yu-hsiang's army at 197,000 with 168,000 rifles—*Kuo Wen* dispatch from Geneva states that Minister Chu's declaration regarding his adherence to the Kuomintang and his renunciation of Chang Tso-ling has created considerable stir and much speculation regarding China's position at Geneva—Chang Chung-chang protests landing of Japanese troops—Chang Chung-chang moves large force to Weihsien—Large numbers of Japanese troops move to Tsinan—Nanking Government urges Wang Chung-hui to come to Nanking to assume office of Minister of Justice—Japan orders more troops to Tsingtao from Manchuria—Martial law declared in Tsingtao and Chang Chung-chang borrows $180,000 from Tsingtao banks to pay his troops—Gen. Chiang Kai-shek appointed Generalissimo of Nationalist forces—Panicky conditions prevail in Tsingtao with all Chinese banks closed—Japanese announce traffic conference in Tokyo for Aug. 22 to smoothe out transportation problems for passengers and freight between China and Japan.

July 10—More than 200 persons, mostly students, arrested in Peking by Marshal Chang Tso-ling, it being alleged that they are part of Feng Yu-hsiang's 'plain-clothes' force; also alleged that more than 3,000 persons have been found to be implicated to stir up an insurrection in Jehol—British, French and Japanese Ministers confer in Peking regarding the breakdown of the Salt Gabelle throughout China; also reported that the Ministers decided to investigate the Customs situation—Tsinan report states that the rebellion of Gen. Chen at Tsingtao has been quelled by Marshal Sun

(*Continued on page 181*)

The China Courier

MIRROR OF CHINESE OPINION

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ONE YEAR OLD ON JULY 13, 1927

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Nanking Government Needs $60,000,000

Wages, rents and taxes are always matters of supreme importance in every country, nowhere more so than in China, and never so much as at the present time. The air is full of schemes of taxation, protests and counter-protests against taxes, demands for reduction of rents, and requests for higher wages.

The official news agency of the Nanking government announces that in order to meet the enormous military expenditure incidental to the rapid progress of the Northern Punitive Expedition, General Chiang Kai-shek calls for twenty million dollars monthly, a sum vastly exceeding the present revenue of the government. It is announced that Kwangtung has been contributing to the central government a monthly sum of $4,000,000 but Kwangsi has not as yet made its pledge. The amount pledged by Kiangsu is $8,400,000 a year; Chekiang $6,000,000, Anhwei $3,000,000 and Fukien $2,670,000, making the total sum pledged to the central government by the four provinces $20,670,000 a year. The receipt from the Customs of the four provinces is $27,670,000 a year, and the salt surplus yields an annual amount of approximately $29,100,000. The cigarette tax from the four provinces is estimated at $24,000,000 a year; special tax of kerosene $4,900,000; wine and tobacco $5,000,000; prohibited drugs $3,000,000; stamp $1,200,000 and parcel tax $200,000; the grand total of the income every year from the four provinces is therefore about $114,744,000.

Debits and Credits

Out of this amount, however, will have to be deducted the following items; $12,000,000 for the amortization of the Two Five Kiangsu provincial bonds: $4,056,000 for Chekiang provincial defence: $18,000,000 for the military and naval expense of Fukien, leaving thus the net amount to the central government $81,688,000.

According to the above budget for the six months to come, from July to December, 1927, the government will have a monthly income of about $10,000,000. But the amount called for, as has been mentioned, is $20,000,000 a month; which means the government will have to raise another $60,000,000 in order to tide over the coming six months.

At a recent financial conference, in Nanking it was therefore decided to issue Rehabilitation Bonds to this amount (e. i. $60,000,000) to be sold in all the provinces now under the Nationalist Government. The bonds are to be redeemed in five years' time and an annual interest of 7% is to be paid. It is not as yet decided whether it will be amortized by the salt surplus or the cigarette tax.

Salt Gabelle Lodges Protest

The new taxation schemes of the Nationalist government were discussed at an emergency meeting of the Diplomatic Corps at Peking, July 11. Despite the announcement made above that it had not yet been decided whether to raise the money by hypothecating the salt taxes or by means of the cigarette taxes, it is assumed at Peking that it is the former course that the Nationalists intend to adopt. As a result the following notification has been issued by order of the Chief Inspectorate of Salt Revenue at Peking:

> Acting under instructions from the Chief Inspectorate of Salt Revenue, all banks, merchant bodies and the public in general are hereby notified that the contemplated flotation of a loan of $60,000,,000 (Dollars Sixty Millions) by the Nanking Authorities, to be guaranteed on the Salt Revenue of the Kiangsu and Chekiang Provinces, especially in connection witho ther action taken against the Inspectorate Service, or any other such loans with the hypothecation of salt revenue as security, constitutes a flagrant violation of the Loan Agreement concluded in 1913 between the Chinese Government and the Banks of five Foreign Powers and can never be recognised as constituting a valid obligation.
>
> (Signed) Chinese D. I., Absent on leave
> M. GUSEO.

District Inspectors of the Chinese Government Salt Revenue for the Sungkiang District.

Two-Way Protests in Shanghai

Here in Shanghai the Chinese street unions are protesting against the increase in taxation imposed at the last Ratepayers meeting, the agitation being used as a lever to enforce the Chinese demands for substantial representation on the Municipal Council. As against the protest from the Chinese side, the Municipal Council has issued a protest against taxes which are being levied in the Settlement by the Chinese authorities. Up until this time it has been a firm policy of the Municipality to rigorously suppress any attempts on the part of the Chinese authorities to impose any taxes on their own nationals provided they were residents of the Settlement.

This is a regulation which the Chinese have always resented and they are now making vigorous attempts to break it down. At the moment the Chinese authorities are attempting to impose a tax equivalent to two months rent not only on Chinese residing in purely Chinese territory but also on Chinese living in the Settlement, where the most wealthy Chinese mostly reside and where rents generally are higher.

Under date of July 11, the Shanghai Municipal Council issued the following Notification:

> Complaints having been made to the Council that certain unauthorised persons are seeking to collect from Chinese residents of the Foreign Settlement a special tax equivalent to two month's rent of the premises of the said residents, notice is hereby given that all such exactions are illegal—that no one has been authorised by the Council to collect such a tax and that no resident is obliged to make such payments. Warning is accordingly given that any person endeavoring to extort money by threats or intimidation will be arrested forthwith and punished without leniency. and residents are urged to report all such attempts to the Police immediately.

And there the matter stands. What the result will be, either in the near future or ultimately, remains to be seen. The Council may for a short while be able to enforce the old regulation, although it may be difficult to secure the cooperation of the Provisional Court in securing any real punishment of the tax collectors. It is, of course, a foregone conclusion that in the not distant future the Municipal monopoly of taxation will be broken.

Harriman Interests Gain as Result of Anglo-Soviet Break

According to a Moscow report dated June 10, appearing in the Paris edition of the *Chicago Tribune*, the Soviet Government, as a direct result of the break with Great Britain, has entered into a new contract with the Harriman interests of the United States for a period of 18 years, which will have the effect of giving the Harrimans practically a world monopoly of the manganese industry. The present contract is, according to the report, an amplification and improvement over a similar contract which was entered into in 1925. According to the previous contract there were certain taxation features which caused the Harrimans to suffer serious losses in their operations last year. The Harrimans are also participating with the Soviet Government in the construction of the standard-guage Tiflis-Poti Railway. According to the report Harriman will have an annual output of 500,000 tons of manganese from the Chiaturi works.

"Imperialism and the Jesus Devils"

A Reuter despatch from Canton says that during a special service at the Chungshan Chinese Baptist Church recently a Chinese soldier stood outside for half an hour denouncing "Imperialism and the Jesus devils." The congregation comprised a few hundred students, women and children. As soon as the service ended the students gathered outside the church and ridiculed the soldier who, finding he had no support, lost "face" and disappeared.

Boycott Against Japanese Spreads

Despite the efforts of the Chinese authorities, the boycott against the Japanese seems to be spreading, not only in Shanghai, but in many other parts of China.

Latest reports show that agents of the Boycott League, not content with notifying shpkeepers that they may not sell Japanese-made wearing apparel and household articles, are also bringing pressure to bear on foodshops not to sell to Japanese cusotmers.

In a recent case in Hongkew, in the northern district of Shanghai, largely occupied by Japanese, one shopkeeper who got into difficulties with the Boycott League had to be protected by the Japanese whom he was trying to serve.

In South China picketing parties to enforce the boycott are maintained in various cities.

A report from Canton on Tuesday, July 12 stated that the Japanese merchandise confiscated in Canton up to the present was valued at $500,000 and that Japanese ships were finding difficulty in obtaining or landing cargoes. The Chinese committee having in charge the boycott has drafted regulations exempting certain necessities from the boycott which are not obtainable from other sources.

New Books of Interest in the Far East

A Newly Discovered Manuscript on Early Contacts of East and West

The History of Yaballaha III, Nestorian Patriarch, and of his Vicar Bar Sauma, Mongol Ambassador to the Frankish Courts at the end of the Thirteenth Century. Translated from the Syriac and annotated by James A. Montgomery, Professor in the University of Pennsylvania and the Philadelphia Divinity School. Columbia University Press, New York, 1927. Price $2.00 gold.

The long title is a fair indication of the character of this book. It contains a new translation of a very interesting Syrian manuscript discovered by American missionaries in Urmin.

The Document gives an account of two Monks who started on a pilgrimage to Jerusalem in the latter part of the thirteenth century.

They reached Baghdad, and came into relations with the Patriarch of the Nestorian Church, and the Western Mongol King who had been appointed to rule over that part of Kublai Khan's vast Empire.

They were unable to proceed to Jerusalem on account of the opposition of the Muslims and settled down in Persia.

One of them was afterwards elected to the position of Patriarch in the Nestorian Church, with the title of Yaballaha III, and the other became his Vicar, and was called Bar Sauma.

Bar Sauma went on a mission to the West, and visited Greece, Rome, and France. He was received with honor by the Emperor in Constantinople, the Pope of Rome, and the King of England, who was at that time in Gascony.

The object of the mission was to urge the Christians of Europe to join with the Mongols in a proposed crusade against the Muslims of Palestine.

Bar Sauma was a contemporary of Marco Polo, and is an oriental antitype of the Great Venetian. His descriptions of what he saw in the lands which he visited are as interesting as Marco Polo's descriptions of what he saw in China.

One of the results of the establishment of the great Mongol Empire which extended from the Yellow Sea to Europe as far as Bulgaria, Hungary and Poland was the opening of a new door into the heart of Asia.

"Travellers, traders, ambassadors, missionaries found their way in comparative security through the breadth of the Mongol lands; overland routes *via* Russia and Asia Minor around the Caspian Sea were now practicable."

There was a good deal of intercourse between East and West. Natural products were exchanged, and the Mongols gave the West gunpowder and the art of printing.

The Nestorian Church rose to a position of great influence in China, and Christianity was in favor in the court.

This book throws a sidelight on that interesting period, and is of value not only to the historian, but to all who care to know more about the fascinating subject of early contacts between East and West.

F. L. Hawks Pott

Shanghai, July 8, 1927.

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The Commercial Press, Ltd., Publishers

(*Continued from page 179*)

Chuan-fang—*Reuters* correspondent at Tsingtao also states that rebellion has been quelled, but owing to lack of discipline of Chang Chung-chang's troops it is likely that Chang will be displaced and Marshal Sun placed in charge of the defense of Shantung against the Southerners—*Toho* report from Peking states that unpopularity of Chang Chung-chang is growing and that his forces are so demoralized that his condition is hopeless—*Toho* report from Tsingtao also states that Generals Su Tien-chen and Chen Yi-shin who rebelled against Marshal Sun, have been quelled and that Gen. Lu has gone back to Sun and will work against Gen. Chen who is still in rebellion—Japanese Peking Minister Yoshizawa and various consuls from China who have been in Tokyo conferring with Gen. Tanaka, Premier, will return to China shortly—*Toho* report from Tientsin states that the five foreign Powers have conferred on matters of defense and have decided to prevent Chinese soldiers from coming within 20 li (7 miles) of Tientsin, in addition to the protection of the foreign settlements.

July 11—Peking Government decides to appoint Chao Chuang as representative at the League in place of Chu Chao-hsin who has resigned to join the Nationalists—*Toho* report from Peking states that owing to the transferrance of Nationalist forces from the Shantung front for the purpose of opposing Hankow, the Northern troops have retaken Hsuchowfu, but report unconfirmed in Shanghai—Peking report by *Toho* states Yen Hsi-shan seriously ill—100 railway men depart from Tokyo to take charge of the Shantung railway—*Kuo Min* (Nanking) Agency issues statement regarding Nanking financial conference to effect that Chiang Kai-shek requires $20,000,000 monthly for military expenses necessitating issuance of $60,000,000 domestic loan based upon salt and cigarette taxes—Central Salt Administration in Peking protests issuance of $60,000,000 by Nanking Government—Chu Chao-hsin, Chinese delegate to Geneva who recently joined Nationalists announces that he is returning to China immediately for a conference—Peking lodges protest against stationing of Japanese troops in Shantung—*Kuo Wen* states that telephone and telegraph communication restored between Tsinanfu and Tsingtao—Chinese Ministers to Chile and Peru returning home owing to lack of financial support—*Kuo Wen* states that Nationalist troops operating in Eastern Shantung are nearing Tsingtao—American Minister MacMurray goes to Peitaiho for vacation—Generals Chang Hsueh-Liang and Han Ling-tsung return to Peking from front—Nanking Ministry of Communications organizes purchasing department to unify purchasing and elimination of graft—Y. M. Chien, vice-Minister of finance at Nanking, who has been ill, recovers and goes to Peking for another financial conference to open on July 13—Li Hurseng, Managing Director of Shanghai-Nanking and Shanghai-Hangchow railways promises laborers increase in pay, providing the business of the lines improves.

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American Gold Bond Quotations

Name of Security	Coupon Rate %	Date of Maturity	Sale Price July 7th	Sale Price July 7th	Approx. Yield to Maturity July 7th
Czecho-Slovak Govt. Sinking Fund Loan...	8	Oct. 1, 1952	108¼	107¼	7.35
Czecho Slovak Government Ext. S.F. Loan..	7½	Oct. 1, 1945	105⅝	105⅛	6.95
Republic of Chile S. F. Loan	7	Nov 1, 1942	100½	101	6.90
Argentine Government Ext. S. F. Loan.....	6	May. 1, 1960	99	99	6.05
Kingdom of Italy, Ext. S. F. Loan.....	7	Dec. 1, 1951	95¾	94½	7.50
Austrian Government S. F. Guaranteed Loan..	7	June 1, 1943	103¼	104	6.60
French Government Ext. S. F. Loan.....	8	Sep. 15, 1945	110⅞	110¼	7.00
Japanese Govt. (£)	5	1907/1947	78¼	78⅝	7.05
German Governments S. F. Loan.....	7	Oct. 1, 1949	107⅛	106½	6.45
Deutsche Renten Bank 1st Lien Farm Loan	7	Sept. 15, 1950	102⅜	101⅛	6.85
Saxon Public Works Inc. 1st Mtge. Guaranteed S. F. Loan....	7	Feb. 1. 1945	102½	102	6.80
German General Electric Co. S.F. Loan....	7	Jan. 15, 1945	104⅓	104⅛	6.60
Finnish Guaranteed Municipalities S. F. Loan	6½	Oct. 1, 1954	99	98	6.65
Chicago Rapid Transit 1st. & Refunding Mtge.	6½	July 1, 1944	98	98	6.70
Northern Ohio Power & Light Co. Debentures .	6⅓	Jan. 1, 1941	98⅛	98½	6.65
Cuban Domin. Sugar Co. 1st Lien S. F. Loan...	7½	Nov. 1, 1944	100½	99⅛	7.55
Camaguey Sugar Co. 1st. Mtge. S. F. Loan	7	Oct. 15, 1942	100½	99¾	7.05
Pennsylvania Dixie Cement Corpn. Cumulative	7	Pfd. Stock		97½	7.18
Victor Talking Machine Company Cum. Prior..	7	Pfd. Stock	98½	97⅞	7.15
Willys Overland Co.....	7	Pfd. Stock	91	90	7.78
The National City Bank of New York.....	20	Stock	549	560.	3.57

The National City Company, The National City Bank Building, No. 2A Kiukiang Road, Shanghai, China.

These quotations are subject to confirmation by the National City Company of New York.

Shanghai Exchange for Week Ending Wednesday, July 13, 1927

By Maitland, Fearon and Brand

Echange:—Only minor fluctuations in the price of Bar Silver in London have occurred during the past week, today's quotation 26d. ready and forward is ⅛d. above that ruling this day last week. The official T/T rate on London remains unchanged at 2/6½d. Despite the fact that a marked improvement has taken place in the piece goods market during the last few days, the demand by importers it still very small, this is due to the fact that merchants in many cases contracted for their requirements many months ago and are still working on old exchange contracts. Export paper is offering in small quantities. The tone of the market is dull.

The embargo on the export of Silver from Shanghai is apparently being enforced, it is reported that more than one intended shipment of sycee has been held up owing to the necessary permit not being forthcoming. The following rates are being offered by banks at the close of today's market:—T/T London 2/6 13/16d., New York 62⅜, Yen 57⅝.

Our stocks of silver are reported as follows:—

Sycee and Bar Silver.....Tls. 69,460,000 a decrease of Tls. 2,372,000
Chinese and Mexican Dollars.....$ 79,850,000 a decrease of $ 1,370,000
Estimated value Tls. 126,952,000 as against Tls. 127,488,000 held at this time last year.

	Average rates for June	Thursday July 7	Friday July 8	Satur. July 9	Mon. July 11	Tuesday July 12	Wednesday July 13
Bank's selling rates		*opening closing*	*opening closing*	*opening closing*	*opening closing*	*opening closing*	*opening closing*
T/T London	2/6.636	2/6 1/16	2/6 1/2	2/6 7/16	2/6 1/2	2/6 1/2	2/6 1/2
D/Dfts ,,	—	2/6 9/16	2/6 9/16	2/6 9/16	2/6 9/16	2/6 9/16	2/6 9/16
4 m/s ,,	—	2/6 3/4	2/6 3/4	2/6 3/4	2/6 3/4	2/6 3/4	2/6 3/4
T/T India	170.708	170¼	169½	170½	170½	170¼	170½
T/T France	1.571.416	1575	1575	1575	1575	1575	1575
T/T N. Y.	62.021	61 3/4	61 3/4	61 3/4	61 3/4	61 3/4	61 3/4
T/T Hamburg		61 7/8	61 7/8	61 7/8	61 7/8	61 7/8	61 7/8
T/T H'kong		260½	260½	260½	260½	260½	260½
				79	79	79	79
T/T Japan	78.615	79	79				
				76½	76½	76½	76½
T/T Batavia	75.333	76½	76½				
T/T Straits	154.312	153½	153 1/2	153½	153½	153½	153½
Bk's buying rates	90.844	91¼	91¼	91¼	91¼	91¼	91¼
4 m/s B/L. Cred. D/A	2/8.636	2/8⅓	2/8⅓	2/ 8½	2/8½	2/8½	2/8½
4 m/s ,, D/P	—	2/8 5/8	2/8 5/8	2/8 5/8	2/8 5/8	2/8 5/8	2/8 5/8
6 m/s ,, B/L Cred D/A	2/8.948	2/8 13/16	2/8 13/16	2/8 13/16	2/8 13/16	2/8 13/16	2/8 13/16
4 m/s B/F Cred D/A or D/P	1.710.416	1705	1705	1705	1705	1705	1705
4 m/s N.Y.Lc.	65.521	65¼	65¼	65¼	65¼	65¼	65¼
4 m/s ,, Docs	—	65¾	65 3/4	65¾	65¾	65¾	65¾

†Based on Daily Official quotation, higher rate taken on rising Market, lower when falling. Bullion.	July 7	July 8	July 9	July 11	July 12	July 13
*London Price of Bar Silver per oz. (English Standard 925 touch)...Pence	25 7/8	25 15/16	25 7/8	25 7/8	25 15/16	26
**New York Price of Bar Silver per oz. (Pure)	G. $.56⅛	G. $. 56	G. $. 56⅛	G. $. 56⅛	G. $ 56⅛	G. $.56¼
Shanghai Price of Gold Bars (weight Tls. 10 (Chaaping) 978 touch).....	Tls. 370.80	Tls. 369.80	Tls. 369.20	Tls. 367.80	Tls. 367.70	Tls. 367.80
Shanghai Silver Bars (weight Tls. 100 (C.) 999 touch)	110.90	110.90	110.00	110.00	110.00	110.00
Shanghai Mexican Dollars per $100....	72.85	72 7375	72.8	72.725	72.55	72.5625
Native Bank Rate of Interest .(Call money).....	3%	2½%	1%	4%	4%	5%
*Closing Price in Lond on for Previous day						
**Closing Price in New York for Previous day						

Bank of England rate of discount	4½%	London Paris on	T/T 124.01
Bank of France rate of discount	5%	New York on London	T/T 485 1/2
London open Market of Dis. 3 m/s	4 5/8%	Bombay on London	T/T 1/5 27/32
,, 4 ,,	4 3/8%	Hongkong on London	T/T 1/11 7/8
,, 6 ,,	4 5/8%	Kobe on London	T/T 1/11¼